

U.S. v. Manafort

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1 UNITED STATES DISTRICT COURT  
 2 FOR THE EASTERN DISTRICT OF VIRGINIA  
 3 ALEXANDRIA DIVISION

4 -----x  
 5 :  
 6 UNITED STATES OF AMERICA, : Criminal Action No.  
 7 : 1:18-CR-83  
 8 versus :  
 9 :  
 10 PAUL J. MANAFORT, JR., :  
 11 : July 31, 2018  
 12 Defendant. : Volume I - AM/PM  
 13 -----x

14 TRANSCRIPT OF JURY TRIAL  
 15 BEFORE THE HONORABLE T.S. ELLIS, III  
 16 UNITED STATES DISTRICT JUDGE

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P R O C E E D I N G S

(Court proceedings commenced at 9:05 a.m.)

THE COURT: Good morning. This is United States against Paul Manafort, Jr. It's 1:18-CR-83.

And the record will reflect that all parties of the defendant -- or all counsel and the defendant are present.

But let's have briefly for the Government who will be heard this morning.

MR. ANDRES: I will go, Your Honor, with respect to the motion, Greg Andres.

THE COURT: All right. That's Mr. Andres?

MR. ANDRES: Yes, Judge.

THE COURT: All right. And for the defendant?

MR. DOWNING: Good morning, Your Honor. Brian Ketcham will be taking the argument this morning.

THE COURT: All right. Good morning to all of you.

Now, let me tell you what I anticipate doing between now and the voir dire.

We have outstanding a motion in limine brought on by a motion -s- well, it was brought on this past -- not this past weekend, but I think the weekend before that. It involves 50 exhibits, roughly 400 pages.

I do not intend to take the time at this point to resolve the issues with respect to each of the motions -- or each of the documents. Instead, what I will do is tell you

1 what principles will be used to resolve that. And I would  
2 expect counsel to consider those principles, apply them, and  
3 perhaps reduce the number of exhibits to be offered.

4 All right. First, there was an issue of relevancy.  
5 And in that regard, I think the Government is correct that  
6 documents which tend to show the nature of funds that  
7 Mr. Manafort received as income that had to be reported, those  
8 documents are relevant.

9 Obviously, I am now not at this time going through  
10 each of the documents to make that determination and hear  
11 argument about each of the documents. That would be too time  
12 consuming at this point. If it becomes necessary to do so, I  
13 will do so. So that's the first principle.

14 But, of course, the fact that documents may be  
15 relevant is not the end of the inquiry. Instead, the Court  
16 will have to consider in addition whether the documents are  
17 perhaps inadmissible because they are cumulative, because they  
18 are unfairly prejudicial or confusing or for some other reason  
19 not admissible.

20 And, again, I have not made that determination with  
21 respect to each of the 50 exhibits and 400 pages that are in  
22 issue. I will do so if I have to, but I hope you will take  
23 those principles back, apply them rigorously, and perhaps  
24 reduce the number.

25 Now, there's one other principle that's not as

1 familiar to most lawyers, and that is I do not want a data  
2 dump into the record on the assumption that when the jury  
3 retires to deliberate on its verdict, it's going look at this  
4 data dump without any previous testimony or description of it  
5 except perhaps by way of argument.

6 So I don't expect these 400 pages of documents  
7 simply to be dumped into the record. I would expect that the  
8 offering party, which in this case would be the Government,  
9 will elicit some testimony about them and that there will be  
10 some relevance pointed out to the jury.

11 I think Mr. Asonye is familiar with that requirement  
12 that I have.

13 MR. ASONYE: Yes, Your Honor.

14 THE COURT: So I will delay the disposition of the  
15 motion in limine until after jury selection, and we'll deal  
16 with it again either document by document or in some other  
17 fashion. For example, I will be asking you at this time not  
18 to include any specific document in that category that I  
19 haven't ruled on in your opening statements.

20 You may, however, refer to those class of documents,  
21 which means you may tell the jury that they can expect to hear  
22 evidence, testimony, and documentary evidence describing the  
23 nature of the monies received, what they were received for.  
24 That's one of your burdens.

25 Am I correct, Mr. Andres?

1 MR. ANDRES: Yes, Judge.

2 THE COURT: All right. Now, so that's the first  
3 point I wanted to cover.

4 The second point I wanted to cover is, of course, we  
5 have two groups of jurors, because we had to summon a --  
6 another -- a second group. So I will greet all the jurors at  
7 ten o'clock, as I typically do, including the new ones.

8 In the greeting, I will use only numbers when we  
9 call the roll. We will not use names. We will use numbers.  
10 And the names and the numbers will be -- remain under seal for  
11 the time being, that is, the association of a number with a  
12 particular name.

13 I'll swear the jury, of course. I'll summarize  
14 certain portions of the indictment. Of course, I will not  
15 read the entire indictment. Rather, I will try to summarize  
16 or encapsulate the principal claims and allegations by the  
17 Government, of course, telling the jury repeatedly that the  
18 indictment is not proof or evidence of guilt of any kind  
19 whatsoever and that the defendant has pled not guilty to those  
20 charges and therefore must be presumed by the jury to be  
21 innocent of those charges unless and until the jury find  
22 otherwise.

23 The jury will be sworn, and I will then proceed to  
24 conduct the voir dire. Now, when you-all asked the Court to  
25 use the device of a preliminary questionnaire, I think at

1 least the Government, I recall vividly, but I'm sure the  
2 defendant did as well, assured me that it would shorten the  
3 voir dire process.

4 I've had some experience in the last 30 years with  
5 that, that in some instances it has been true but in many it  
6 has not. I expect it will be, however, in this case.

7 Now, specifically, I expect to begin the voir dire,  
8 of course, by introducing parties and counsels to ensure there  
9 are no affiliations that would prevent a juror from sitting as  
10 a fair and impartial juror.

11 I will also -- there were some jurors that the  
12 Government wished to be recalled. I think those jurors --  
13 there were three of them, as I recall. I have those, and I  
14 will ask them further questions. I think it had to do with  
15 whether they could put aside any preliminary opinion they  
16 might have.

17 Then I will ask a number of questions relating to  
18 the responses on the -- on the questionnaire about childcare  
19 responsibilities and plans for August. I even had requests by  
20 the jury, of course -- under childcare, I even had others  
21 about pet care. And that doesn't surprise me. I have pets.  
22 And it only took a moment's reflection for me to recognize I,  
23 too, pay close attention to that. And it's very clear to my  
24 wife and to me who has the duty to be there to feed them and  
25 make sure they get out. We live in the country so they don't



1 have trouble getting out.

2 But in any event, I will ask those questions. And  
3 then we will begin.

4 Now, I will ask those of you in the courtroom who  
5 are in this center area to leave the center area. You could  
6 sit on the sides if there's room; if not, there's an overflow  
7 courtroom on the sixth floor, I believe. And you may go down  
8 there until after we have selected a jury. Afterwards you may  
9 return.

10 As you know, because I have made that clear, there  
11 are no reserved -- or assigned -- you don't need to move right  
12 now. We're not going to do it until ten o'clock. So relax.  
13 We'll do it at ten o'clock. And the deputy -- or the court  
14 security officer will do that. But that's the reason for it  
15 and, of course, you may return as soon as the jury selection  
16 process is over.

17 There is, as I said, an overflow courtroom on the  
18 sixth floor.

19 There are no assigned seats. You may sit wherever  
20 you please in the courtroom. First come, first served.

21 All right. Are there any other preliminary matters,  
22 Mr. Andres, that we should cover at this time?

23 MR. ANDRES: No, Judge.

24 THE COURT: All right. Then let me ask the same of  
25 Mr. Ketcham?

1 MR. KETCHAM: No, Your Honor.

2 THE COURT: All right. Yes, I'm advised that the  
3 courtroom will be closed at five o'clock this afternoon. In  
4 other words, you can't get back in. You can get out, but you  
5 can't get -- oh, yes, courthouse. What did I say?

6 Oh, yes. The courthouse will be closed at five  
7 o'clock. So if you depart, and you're out at five o'clock,  
8 you will -- cannot get back in. I'll look into that. It's  
9 not a usual problem, but I'll look into that.

10 In any event, I don't know how late today we will  
11 go. I won't know that until I inquire of the jury whether any  
12 of them have any responsibilities that they have to tend to so  
13 that they need to be released sharply at five o'clock. If  
14 they don't, we'll go a little bit further, limited, of course,  
15 by the stamina of counsel and the witnesses.

16 All right. Anything further?

17 MR. ANDRES: Not from the Government, Judge.

18 MR. DOWNING: No, Your Honor.

19 THE COURT: Yes, let me review that. We are going  
20 to seat 16 jurors. There are, not coincidentally, 16 chairs  
21 in the jury box. But that will be 12 jurors and 4 alternates.

22 Now, the 12 will have to be chosen first. And then  
23 after the 12 are chosen and all strikes have been exercised  
24 against the 12, Ms. Pham, the court -- or the deputy clerk  
25 will call four additional names and they will be alternate

1 jurors and they will serve in the order in which they were  
2 called.

3 Now, you'll have -- because there are four  
4 additional jurors, four alternates, you will each have two  
5 additional strikes. That means the defendant will have ten --  
6 12 strikes, and the Government will have eight. Eight strikes  
7 for the Government, 12 strikes for the defendant.

8 And you may exercise those strikes entirely on the  
9 first 12, if you wish, or you may reserve some for the  
10 alternates. Now, of course, any juror that passes a round is  
11 thereafter cannot be stricken. You can't go back and strike a  
12 juror who has passed through a round.

13 When you indicate your strikes, the deputy -- or no,  
14 the -- yes, the deputy clerk will hand the court security  
15 officer, Mr. Flood, the board.

16 Do you have the board there, Margaret?

17 This is the board. The names will be on the board.  
18 And you'll put your strikes, for a particular round, at the  
19 bottom under P and D. Mark for each strike the number.

20 So, in other words, let's assume that the Government  
21 decides to strike four jurors in the first round, they'll be  
22 P-1, 2, 3, and 4; and for the defendant similarly D-1, 2, 3,  
23 and 4.

24 That will ensure that we have an accurate count of  
25 the strikes as they're exercised and importantly that you as

1 well have an accurate count of the strikes.

2           Then at the close of the -- all of the strikes, we  
3 will then swear the jury and proceed. Now, prior to that, of  
4 course, after all of the jury -- jurors are -- the voir dire  
5 is completed, I will be asking whether you have any motions to  
6 strike for cause. Those will be done typically at the bench  
7 because jurors will still be here.

8           Now, for those of you in the public, which includes  
9 the press, things that are done at the bench will typically  
10 remain under seal until the end of the case. Some may be  
11 unsealed before that. So you will have access to it.

12           Some of the matters may remain under seal. For  
13 example, some jurors may come to the bench to tell the Court  
14 about their -- any disabilities that may prevent them from  
15 paying close and careful attention to the evidence as it's  
16 being offered. And those statements will typically remain  
17 under seal, because they'll tell me about their medical  
18 situation. Some jurors will come to talk about their vacation  
19 plans. That will not remain under seal after the end of the  
20 case.

21           All right. We'll recess now until ten o'clock. And  
22 it's only then, or prior to 10:00, that I will ask those of  
23 you in the center portion to vacate that area so that we can  
24 put the jury there.

25           Mr. Flood, can we sit all 45 or 50 or more in the

1 center section?

2 THE CSO: 45 to 50, yes, sir.

3 THE COURT: All right. And no one else -- I want no  
4 one else in the center section. I want the jurors to remain  
5 separate and apart from other members of the panel.

6 And, of course, you should all -- those of you who  
7 are in here, you should understand and recognize that you may  
8 not talk to the jurors. In other words, don't strike up a  
9 conversation with them and ask them things during this period  
10 of time. Anything further?

11 All right. Court stands in recess.

12 (Recess.)

13 (Voir dire held, but not included herein.)

14 (Jury not present.)

15 THE COURT: All right. We'll -- let me ask -- you  
16 may be seated. Let me ask, first of all, how long do you  
17 think -- who will make the opening statement?

18 MR. ASONYE: I will, Your Honor.

19 THE COURT: Mr. Asonye, how long do you think you  
20 need for opening statement?

21 MR. ASONYE: No longer than 30 minutes, Your Honor.

22 THE COURT: All right. That's sensible. Who will  
23 make the opening statement for the defendant?

24 MR. ZEHNLER: I will, Your Honor.

25 THE COURT: All right. And how long do you think

1 you need for that?

2 MR. ZEHNLE: Thirty minutes.

3 THE COURT: All right. And you're Mr. Westling?

4 MR. ZEHNLE: No, I'm Mr. Zehnle.

5 MR. WESTLING: We've been shuffling around. We  
6 apologize for that.

7 THE COURT: So she's innocent.

8 All right. How long did you say you needed?

9 MR. ZEHNLE: Thirty minutes.

10 THE COURT: All right. I think that's appropriate  
11 and sensible and be prepared to go on. I'm not going to  
12 address the 40 pages that are still in dispute. Do you  
13 anticipate those coming up in the first witness or so?

14 MR. ANDRES: Several of them, but not any of the  
15 ones that really are the longer ones that are really of  
16 concern, but we can let defense know who we are going to call  
17 and what exhibit --

18 THE COURT: Which ones -- yes, advise chambers and  
19 the defendants which ones you intend to use in these first few  
20 witnesses so that I can pay attention to those.

21 MR. ANDRES: Okay.

22 THE COURT: Thank you.

23 MR. ASONYE: Judge, I'm sorry, we also -- the  
24 Government would move to exclude any witnesses once the  
25 opening statements start with the exception of our expert and

1 our case agent.

2 THE COURT: All right. Any objection to the case  
3 agent and the expert?

4 MR. WESTLING: No, Your Honor.

5 THE COURT: Who is the expert?

6 MR. ASONYE: Special Agent Michael Welch, Your  
7 Honor.

8 THE COURT: And in what discipline is he an expert?

9 MR. ASONYE: In tax, Your Honor, tax computation,  
10 Your Honor. He's the IRS revenue agent.

11 THE COURT: All right. I will grant the motion to  
12 exclude witnesses. And other than the defendant, does the  
13 defendant wish to have anyone else present.

14 MR. WESTLING: No, Your Honor.

15 THE COURT: Anything else before I recess?

16 MR. ANDRES: No, Judge. Thank you.

17 MR. WESTLING: Nothing from the defense, Your Honor.

18 THE COURT: All right. I thank counsel for your  
19 cooperation. Court stands in recess until 2:45.

20 (Lunch Recess 2:00 p.m.)

21 **P R O C E E D I N G S**

22 **A F T E R N O O N S E S S I O N**

23  
24 THE COURT: All right. Mr. Flood, you may bring the  
25 jury in, please.

1 (Jury in.)

2 THE COURT: Everyone stands for the jury, so you-all  
3 may be seated when you come in. And all of you in the  
4 courtroom may now be seated.

5 There are no assigned seats, ladies and gentlemen.  
6 You may sit wherever you please. However, I've learned over  
7 the years, many years, that in a trial of any length, jurors  
8 come to feel a property interest in a particular chair or  
9 seat. And that's all right, but it isn't required.

10 You can sit wherever you please.

11 All right. Ladies and gentlemen, now that you have  
12 been sworn, I'm going to give you some preliminary  
13 instructions to guide you in your participation in the trial.

14 First, it will be your duty to find what the facts  
15 are. You and you alone are the sole judges of the facts of  
16 this case, and you will then have to apply to the facts as you  
17 find them from the evidence in the case the law that the Court  
18 will give to you in the form of instructions at the end of the  
19 case and you must follow that law whether you agree with it or  
20 not.

21 Nothing the Court may say or do during the course of  
22 the trial is intended to indicate, nor should it be taken by  
23 you as indicating, what your verdict should be. What your  
24 verdict is is your sole and exclusive duty and responsibility.

25 Now, the evidence in which you will find the facts



1 of the case will consist of the testimony of the witnesses who  
2 will testify from the witness stand immediately across from  
3 you, and there will be somewhere in the neighborhood of 20 to  
4 30 witnesses, maybe one or two more, I'm not sure. I didn't  
5 count. So you may want, as you listen to them, to make notes  
6 about your impressions. Remember, no one is going to look at  
7 your notes to see whether you've made any or not; and if so,  
8 what they are. No one will look at the books but you. And  
9 you may take as many or as few notes as you wish.

10 Now, as I said, the testimony from which you will  
11 find the facts of the case will consist of the testimony of  
12 the witnesses from the witness stand and documents and other  
13 things received into the record as exhibits and any facts that  
14 the lawyers may agree or stipulate to or that the Court may  
15 instruct you that you may find.

16 Now, there are, however, certain matters that are  
17 not evidence and it must not be considered by you. And let me  
18 list those for you now.

19 First, the lawyers' statements, the lawyers'  
20 arguments, and the lawyers' questions are not evidence and  
21 must not be considered by you.

22 Of course, when the lawyers ask a question, you have  
23 to consider the question and the answer, because you can't  
24 understand an answer unless you understand the question. I  
25 hope the lawyers will keep that in mind.

1 In any event, the lawyers' arguments, statements,  
2 and questions are not by themselves evidence. It is the  
3 answer of the witness that is evidence.

4 Next, objections to questions are not evidence. The  
5 lawyers have an obligation to their client to make objections  
6 when they believe evidence is being offered that's contrary to  
7 the Rules of Evidence.

8 The essence of a fair trial is that it be conducted  
9 to the Rules of Evidence and that your verdict be based solely  
10 on legally admissible evidence. So you should not be  
11 influenced by the objection or by the Court's ruling on it.

12 If the objection is sustained, ignore the question  
13 completely. If the objection is overruled, then you may treat  
14 the answer to that question just as you would treat the answer  
15 to any other question.

16 Now, if you're instructed that some item of evidence  
17 is received for a limited purpose, you must follow that  
18 instruction and consider that evidence only for that limited  
19 purpose.

20 Next, any testimony that the Court excludes or tells  
21 you to disregard is not evidence and must not be considered by  
22 you.

23 Next, anything you may have seen or read or heard  
24 outside the courtroom is not evidence and must be disregarded  
25 because you're to decide this case solely on the basis of the

1 evidence presented here in the courtroom.

2 Now, in that regard, there are two types of evidence  
3 from which you may find the facts of the case. There is  
4 direct evidence and there is circumstantial evidence.

5 Direct evidence is direct proof of a fact such as  
6 the testimony of an eyewitness to an event. Circumstantial  
7 evidence is evidence that is proof -- evidence of facts from  
8 which you may infer or conclude that other facts exist. And  
9 I'll give you further instructions on these as well as other  
10 matters at the end of the case, but for now you may consider  
11 both kinds of evidence. You may consider both circumstantial  
12 and direct evidence.

13 Now, it will be up to you to decide which witnesses  
14 to believe, which witnesses not to believe, and how much of  
15 each witness' testimony to accept or reject.

16 You and you alone will be the sole judges of the  
17 testimony of the witness and of the weight and effect of their  
18 testimony.

19 I'll give you some instructions at the end of the  
20 case on determining the credibility of witnesses. This is a  
21 civil case -- I beg your pardon -- this is a criminal case.  
22 And in this case, there are certain rules you must keep in  
23 mind.

24 First, the defendant has pled not guilty to all of  
25 the charges. And as I've previously instructed you, that

1 means that the defendant is entitled to the presumption of  
2 innocence; that is, you must presume the defendant innocent of  
3 the charges unless and until the jury find otherwise.

4           Next, the Government has to prove the defendant's  
5 guilt of each element of the offense charged against him  
6 beyond a reasonable doubt. Of course, I'll have further  
7 instructions for you in that regard at the end of the case.

8           Next, the -- there may be references to the  
9 indictment in the course of the trial. Remember, the  
10 indictment is itself not proof or evidence of any kind. It's  
11 not proof of guilt or evidence of guilt of any kind  
12 whatsoever.

13           Next, ladies and gentlemen, I will instruct you at  
14 the end of every day that you may not discuss the matter with  
15 anyone or undertake any investigation using any electronic  
16 device at all. Put the matter out of your mind. Don't  
17 discuss it with anyone.

18           I'll tell you at the end of the day that your  
19 spouses, your partners, your friends, your children will be  
20 intensely interested in what you've been doing and they will  
21 ask you questions. You'll be tempted to answer those  
22 questions. Resist that temptation. Do not answer the  
23 question.

24           Tell them that the Court, the judge, has told you  
25 that you may not discuss the matter with anyone. There will

1     come a time when you can, but that's a ways off.

2             Now, you've been provided with books. I hope all of  
3     you have writing tools or implements.

4             All right. We'll begin first with the opening  
5     statements. Now, an opening statement is neither evidence nor  
6     argument. It is simply a means the lawyers have of outlining  
7     what the evidence is that they intend to offer or that they  
8     expect will be offered. And it's offered for you to follow  
9     that evidence as it is presented.

10            It is not argument. And I will caution jurors  
11     gently, I hope, if they attempt to argue the case in opening  
12     statement.

13            And, remember, the lawyers' statements are not  
14     evidence at all. But these opening statements will be no more  
15     than 30 minutes in length. The Government will go first and  
16     the defendant may do so if he wishes. He's not required to  
17     offer an opening statement, but he's permitted to do so if he  
18     wishes to. And then we will begin to hear the witnesses in  
19     the case.

20            All right. Mr. Asonye, are you prepared to give  
21     your opening statement?

22            MR. ASONYE: I am, Your Honor.

23            THE COURT: All right. I'll ask Mr. Flood to move  
24     the podium.

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Opening statement - Asonye

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**OPENING STATEMENT**

THE COURT: All right. Mr. Asonye, you may proceed.

MR. ASONYE: A man in this courtroom believed the law did not apply to him. Not tax law. Not banking laws. This man collected over \$60 million for his work in a European country called Ukraine. But this man didn't want to report all of his income, so he used shell companies and foreign bank accounts to funnel --

THE COURT: The evidence, you contend, will show this?

MR. ASONYE: Yes, Your Honor.

THE COURT: Well, that's the way I would put it, Mr. Asonye.

MR. ASONYE: -- to funnel millions of dollars --

THE COURT: Did you hear what I said?

MR. ASONYE: Yes, Your Honor.

THE COURT: All right. Do it that way, please.

MR. ASONYE: The evidence will show that he used shell companies and foreign bank accounts to funnel millions of dollars of untaxed income into the United States concealing it from U.S. authorities and bankrolling his extravagant lifestyle.

The evidence will show that from 2010 to 2014 he spent this secret income on luxury items. He purchased over \$6 million of real estate in cash, an apartment in Manhattan,

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Opening statement - Asonye

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1 a townhouse in Brooklyn, a \$2 million house just a stone's  
2 throw away from this very courthouse in Arlington, Virginia.

3 The evidence will show he spent millions of dollars  
4 renovating his house in Florida, a ten-bedroom/12-bath house  
5 in the Hamptons. And with those funds, he bought himself more  
6 than a half million dollars in fancy clothes, a half million  
7 dollars in rugs. He drove high-end vehicles. He got whatever  
8 he wanted.

9 THE COURT: Mr. Asonye, you might focus on elements  
10 of the offense. It isn't a crime to have a lot of money and  
11 be profligate in your spending, so focus on the allegations in  
12 the indictment and the evidence the Government intends to  
13 offer to prove those elements.

14 MR. ASONYE: We do, Your Honor.

15 But there's one thing this man did not do with those  
16 millions of dollars. It's what Americans do every year. Pay  
17 the taxes he owed.

18 Instead, the evidence will show this man hid  
19 millions of his Ukraine earnings in foreign bank accounts,  
20 mainly in Cyprus, an island country off the coast of Turkey.  
21 And when those accounts were closed, the evidence will show he  
22 moved them not to the United States but to another island  
23 country, St. Vincent and the Grenadines in the Caribbean.

24 Now, ladies and gentlemen, as the judge just noted,  
25 there's nothing wrong with being successful or rich in this

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1 country. We actually celebrate it. But when you sign a  
2 federal tax return, you swear that you reported all of your  
3 income.

4 You swear that you've identified if you have any  
5 foreign bank accounts and the evidence will show that if you  
6 have any of those foreign bank accounts containing more than  
7 \$10,000, you have to declare all of those accounts to the U.S.  
8 Treasury Department.

9 Ladies and gentlemen, this man did none of those  
10 things. The evidence will show that he knowingly filed false  
11 tax returns.

12 Sitting in this courtroom today is the man who the  
13 evidence will show hid tens of millions in overseas income,  
14 the man who on his tax returns concealed his many foreign bank  
15 accounts, the man who evaded the report to the Treasury  
16 Department, the man who the evidence will show lied to the IRS  
17 about his total income.

18 That man is the defendant, Paul Manafort.

19 Now, Paul Manafort didn't just slight U.S. tax laws.  
20 The evidence will show that he committed bank fraud and he did  
21 it more than once.

22 In 2015, the defendant's work in Ukraine had dried  
23 up. He was no longer making millions and he couldn't support  
24 his lifestyle. Mr. Manafort was running out of cash, and to  
25 maintain the life that he had become accustomed to, he needed

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1 more of it.

2           So he approached multiple banks for loans, loans on  
3 the homes that he purchased or improved with the untaxed  
4 income from his foreign bank accounts. And once again, ladies  
5 and gentlemen, the evidence will show that Paul Manafort broke  
6 the law in multiple loan applications to three different  
7 banks.

8           The evidence will show Paul Manafort lied. He lied  
9 about important matters and he lied over again. He lied about  
10 the properties he owned. He lied about the amount of debt he  
11 had. He lied about his net worth. He lied about his income.  
12 He even lied about where he was living.

13           Paul Manafort, the evidence will show, lied despite  
14 promising the banks, under penalty of perjury, that everything  
15 he submitted in his loan applications was true and accurate.  
16 He made false statements to the banks starting in 2006, just  
17 like he had lied to the IRS in 2010, '11, '12, '13, and 2014.

18           Now, to make sure he got these loans, the evidence  
19 will show that Paul Manafort submitted fake documents or he  
20 ordered others to do it for him. You will see doctored  
21 financial statements, backdated business records, a fake  
22 insurance binder. You will see Paul Manafort discussing over  
23 e-mail how he needs these documents and you will see many  
24 around him and those who worked for him spring into action on  
25 his behalf. You will see them altering reports and submitting

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1 information that they all know is false. The evidence will  
2 show that they all understood they were breaking the law.

3 Ladies and gentlemen, all of these actions  
4 culminated in a federal grand jury's indictment of Paul  
5 Manafort. The indictment charges the following crimes:

6 Counts 1 through 5 charged the defendant with filing  
7 false tax returns between 2010 and 2014.

8 Counts 11 through 14 charged the defendant with  
9 failure to report foreign bank accounts.

10 Counts 24 through 32 of the indictment charged Paul  
11 Manafort with bank fraud and conspiracies to commit bank  
12 fraud. All of these charges boil down to one simple issue:  
13 Did Paul Manafort lie?

14 We, the Government, we bear the burden of proof in  
15 this case and we embrace it. Let me tell you what this case  
16 will look like after you've heard all the testimony and you've  
17 received all the exhibits in this trial.

18 I'm going to begin by telling you about the  
19 defendant and how he accumulated so much money, then I'll  
20 outline his scheme to avoid reporting his foreign bank  
21 accounts.

22 Next, I'm going to tell you about how he filed false  
23 tax returns, returns that underreported his foreign income and  
24 concealed his foreign accounts.

25 And finally, I'm going to explain how he committed

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1 bank fraud by lying to the banks about his income and his  
2 debts.

3 In each of these crimes, ladies and gentlemen, the  
4 evidence will show that Paul Manafort placed himself and his  
5 money over the law.

6 Now, Paul Manafort was a political consultant and a  
7 lobbyist. The evidence will show he was very skilled at his  
8 job. He's a lawyer who became -- who opened a successful  
9 international political consulting firm called Davis Manafort  
10 Partners, which later became DMP International. The business  
11 was Mr. Manafort's primary source of income.

12 Now, beginning in 2005, Paul Manafort worked for  
13 politicians in Ukraine. He represented the government of  
14 Ukraine, Viktor Yanukovych, who would become the president of  
15 Ukraine, and two Ukrainian political parties. He spent lots  
16 of time in the Ukraine and he traveled there frequently. And  
17 for that work for these foreign officials, Paul Manafort was  
18 paid handsomely.

19 During this trial, you will learn that for his  
20 political work in Ukraine, Manafort was paid by Ukrainian  
21 oligarchs, some of the country's most powerful and wealthy  
22 men. Men who, as oligarchs, controlled entire industries with  
23 the aid and comfort of the Ukraine government.

24 Now, these payments weren't in the names of the  
25 oligarchs either. It came from their shell companies. So in

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1 order for Paul Manafort to receive his consulting fees, he set  
2 up his own shell companies, too. So ultimately, the payments  
3 went from the oligarchs' foreign shell companies to Manafort's  
4 foreign shell companies.

5 In total, the evidence will show, Paul Manafort  
6 opened over 30 bank accounts in three foreign countries. And  
7 the evidence will show that Paul Manafort's foreign shell  
8 companies and his foreign bank accounts served no business  
9 purpose other than to receive and to hide the defendant's  
10 substantial foreign income.

11 Now, ladies and gentlemen, you're going to hear  
12 testimony from U.S. Treasury Department officials about the  
13 importance of disclosing your foreign bank accounts. They're  
14 going to explain that there are two separate obligations.

15 First, every federal tax return asks a very  
16 important, but a very simple yes-or-no question: Do you have  
17 a financial interest or signature authority over a foreign  
18 bank account?

19 The judge will instruct you that if you control the  
20 money in that foreign bank account, even if it's not in your  
21 name, you have to declare it.

22 Second, and independently, if there's more than  
23 \$10,000 cumulatively in any of those accounts, you have to  
24 file a separate report with the Treasury Department, except if  
25 you're Paul Manafort. He answered no to that question every

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1 year. However, you will see overwhelming evidence that these  
2 foreign accounts belong to Paul Manafort.

3 Ladies and gentlemen, we brought documents all the  
4 way from Cyprus and the St. Vincent in the Grenadines. They  
5 show that Paul Manafort's name or one of his underlings was  
6 always listed on these foreign bank accounts.

7 You will see how Paul Manafort controlled these  
8 foreign accounts and used them to pay for his houses, his  
9 renovations, his jewelry, his clothing. And you don't have to  
10 take anybody's word for it. You will read Manafort, in his  
11 own words, authorizing transactions from these foreign  
12 accounts. You will see an exhibit where Paul Manafort, in his  
13 own words, refers to a foreign account as "my account."

14 The evidence will show that all of this was willful.  
15 Paul Manafort knew about the laws requiring him to report  
16 foreign bank accounts. The evidence will show it was simply  
17 another law he chose not comply with. And Paul Manafort  
18 didn't just forget about one account with a few thousand  
19 dollars in it. He had millions in these accounts every single  
20 year.

21 You will also learn that Paul Manafort paid tax  
22 preparers more than \$10,000 a year to compile his taxes. And  
23 the evidence will show that each year these tax preparers sent  
24 him letters, which he signed, explaining his obligation to  
25 identify any foreign bank accounts.

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1           In addition, every single year, these tax preparers  
2 asked Manafort in writing, or somebody authorized to speak on  
3 his behalf, whether Mr. Manafort had any foreign accounts.  
4 You're going see these documents in this trial. And every  
5 single year, Paul Manafort and his associates lied to the tax  
6 preparers by answering, no.

7           Then Paul Manafort repeated that same exact lie to  
8 the IRS about not having any foreign accounts, making his tax  
9 return false and violating the law to disclose those accounts.

10           Now, Paul Manafort's tax returns weren't simply  
11 false because he failed to disclose foreign bank accounts. He  
12 also significantly underreported his income. As I mentioned,  
13 between 2010 and '14, Paul Manafort was paid over \$60 million  
14 from the oligarchs in Ukraine and the evidence will show he  
15 didn't want to pay income tax on all of that money. He didn't  
16 want to report all of that income, so he didn't. And by doing  
17 so, he filed false tax returns.

18           The evidence will show that the first way  
19 Mr. Manafort avoided reporting millions in income was to  
20 bypass depositing the money into his personal and business  
21 accounts that were located in the United States.

22           You will see bank records showing how Manafort  
23 funneled millions of dollars from his foreign accounts  
24 directly to U.S. vendors, people he owed money to for personal  
25 goods and services, merchandise like a \$21,000 watch and a

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1 custom \$15,000 jacket made from an ostrich.

2           You will hear from the vendors themselves. They  
3 will tell you about his spending habits and the personal work  
4 that they did for him. And it will be clear from the evidence  
5 that the money Paul Manafort spent were for purely personal  
6 expenses. Some of these vendors will tell you, they noticed  
7 Paul Manafort paid their invoices with large overseas wire  
8 transfers. Others will tell you that they told him that he  
9 told them to expect payment from a particular company. The  
10 evidence will show that these were Manafort's foreign shell  
11 companies and Manafort's unreported foreign income, which he  
12 used to divert millions of dollars to these vendors and keep  
13 his money off the books.

14           Now, speaking of off book, another critical party  
15 that Manafort deceived during his scheme was his bookkeeper.  
16 At a cost of over \$100,000 a year, Paul Manafort hired a  
17 bookkeeping service. It was hired supposedly to track all of  
18 his financial transactions, to pay all of his bills, and to  
19 prepare his financial statements each year. This service was  
20 supposed to trace every penny that flowed in and out of Paul  
21 Manafort's personal and business accounts or so they thought.

22           You will hear testimony that just like he lied to  
23 the IRS, and his tax preparers about his foreign bank  
24 accounts, Paul Manafort also misled his bookkeeper. Paul  
25 Manafort's bookkeeper will tell you that in order for her to

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1 do her job, she needed a complete picture of Paul Manafort's  
2 finances. She needed to know about all of his bank accounts,  
3 personal and business. But the evidence will show Paul  
4 Manafort never told his bookkeeper about his foreign accounts.  
5 He never told her that he wired money directly to U.S. vendors  
6 from these foreign accounts.

7 Paul Manafort hired a bookkeeper to track his bills  
8 and all of his transactions, but then he proceeded to hide  
9 millions of dollars in bills and transactions from the exact  
10 same bookkeeper. Why? Because the evidence will show that at  
11 the end of the year, the bookkeeper provided a summary of all  
12 of those transactions to the tax preparers so that he could  
13 prepare -- they could prepare his tax returns each year. If  
14 either party knew about Manafort's foreign accounts or his  
15 foreign transactions, the funds would have been booked as  
16 income and the ruse would be over.

17 Now, ladies and gentlemen, the evidence will show  
18 that Paul Manafort was shrewd. His wealth was obvious, after  
19 all, he owned seven homes. If he didn't report a plausible  
20 amount of income each year, the authorities might ask  
21 questions. So Paul Manafort transferred some, but not all, of  
22 the funds in his foreign accounts into his U.S. business  
23 accounts, leaving millions of dollars sitting in those foreign  
24 accounts, which he never transferred and those monies remained  
25 hidden and untaxed.

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1           You will learn that Manafort's tax preparers drafted  
2 his tax returns based on the information that he provided.  
3 But the evidence will show that he omitted important  
4 information and that he lied about other information. And if  
5 you lie to your bookkeeper and you lie to your tax preparer  
6 and you conceal your income sources, then your tax returns are  
7 going to be false. Garbage in, garbage out.

8           Now, another way that Paul Manafort hid his income  
9 from the United States government was to disguise it as a  
10 loan. You will hear testimony that a loan does not count as  
11 income on your taxes because you don't have to pay it back --  
12 because you do have to pay it back.

13           Now, Manafort and his associates created sham loans  
14 that significantly reduced Manafort's taxable income. You  
15 will see funds coming into his accounts that are initially  
16 booked as income by his bookkeeper. But then you will see  
17 how, at Manafort's direction, the income is falsely called a  
18 loan. But the evidence will show these were bogus loans and  
19 Paul Manafort knew it.

20           First, the lender on these loans were Manafort's  
21 foreign shell companies in Cyprus. These loans were for  
22 millions and millions of dollars, but they had no collateral.  
23 They didn't even have a real due date. The loan agreements  
24 for millions of dollars were a page, or maximum, two pages  
25 long.

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1           What's more, the loans didn't require a single  
2           principal or interest payment until the entire note was due.  
3           In other words, on these loans, the evidence will show, Paul  
4           Manafort never made a single loan payment on loans worth  
5           millions of dollars.

6           Ladies and gentlemen, the evidence will show that  
7           over the course of five years, Paul Manafort never reported  
8           over \$15 million of income to the IRS and he lied about the  
9           existence of his foreign accounts. And as a result of these  
10          misrepresentations, his tax returns were false every year from  
11          2010, '11, '12, '13, and 2014.

12          Now, up until 2014, Paul Manafort was flushed with  
13          cash and hiding a lot of it from the IRS. But in 2014, the  
14          evidence will show President Viktor Yanukovych, Manafort's  
15          golden goose in the Ukraine, he lost power. The cash spigot  
16          suddenly closed and Manafort was on the hunt for a new source  
17          of money to fund his huge lifestyle.

18          The evidence will show that Manafort then applied  
19          for tens of millions of dollars in bank loans from a series of  
20          different banks. However, in order to obtain those loans, he  
21          had to lie in violation of the banks rules and federal law.

22          Now, why did he have to lie to get bank loans? The  
23          evidence will show that your income and your debt are two of  
24          the most important factors that a bank considers when they're  
25          evaluating a loan application. They want to see high income

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1 and they want to see low debt, which was a huge problem for  
2 Paul Manafort in 2014.

3 In 2015 after the loss of his Ukraine income, Paul  
4 Manafort didn't have enough income. He didn't have enough  
5 cash flow to qualify for the massive loans that he wanted.  
6 And he had fake loans on his balance sheet, that debt which he  
7 had used to conceal some of his income. So what did he do?  
8 He had to reverse course. Whereas, in order to cheat the IRS,  
9 he had previously reported less income and more loans, fake  
10 loans, now he needed to show the banks the exact opposite.

11 So, for example, in 2016, you will see his company,  
12 DMP International, made no profits whatsoever, zero. No  
13 income, no problem. In loan applications to two separate  
14 banks, Paul Manafort falsified and he instructed other people  
15 to falsify his profit-and-loss statements, adding millions of  
16 dollars of income that he never received. He literally  
17 created cash out of thin air and debt.

18 Remember how he created those fake loans to reduce  
19 his income and avoid paying income taxes? Well, now he's in a  
20 predicament because those loans were still on the books. So  
21 in order to get rid of that debt, Paul Manafort retroactively  
22 forgave a loan that never existed in the first place. He used  
23 his tax preparer to generate a backdated loan forgiveness  
24 letter. Magically, the debt was gone. But without this  
25 manufactured letter, the evidence will show the bank would

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1 have denied the loan to Paul Manafort. Instead, he got  
2 \$3.4 million.

3 Now, the evidence will show that Paul Manafort was  
4 aware it is a crime to lie to a bank. You will see numerous  
5 documents that Paul Manafort, where he signs, swearing that  
6 his representations to the bank were complete, true, and  
7 accurate. He signed documents promising not to submit altered  
8 or falsified records. He signed documents acknowledging to  
9 the bank that the bank relied on his representations.

10 And notably, Paul Manafort signed documents, and  
11 you're going see them, that warned him if he lied, he could be  
12 criminally prosecuted. Now, despite those warnings, Paul  
13 Manafort submitted multiple false loan applications to three  
14 different banks. The evidence will show that in order to keep  
15 his hands clean, Paul Manafort used his associates, his  
16 employees, his agents to help him commit the fraud.

17 For example, in one loan application, Paul Manafort  
18 instructed one of his associates to manipulate a document, to  
19 conceal that he owed \$5.3 million on one of his properties.  
20 The fake document was later sent, of course, by one of his  
21 underlings to the bank who was none the wiser.

22 Now, to be clear, Paul Manafort was an active  
23 participant in the tax and fraud schemes. Was he too busy to  
24 pay attention to the details? The evidence will show quite  
25 the opposite. Paul Manafort constantly issued orders and he

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1 received reports back, nor was he duped.

2 Many of the witnesses will testify that they dealt  
3 directly with Paul Manafort. And where Manafort did use an  
4 intermediary, you will see and you will hear how he directed  
5 their activities. After all, the evidence will show that Paul  
6 Manafort was the primary beneficiary of these frauds. He got  
7 the bank loans. He got the money. He got to use the untaxed  
8 income. As the old adage goes: Just follow the money.

9 Now, you may hear evidence in this case attacking  
10 the credibility of certain witnesses, in particular,  
11 Paul Manafort's associates, like Rick Gates, who helped him  
12 commit his crimes, or other individuals who looked the other  
13 way while he did. But the evidence will show that  
14 Paul Manafort chose to associate himself with these people,  
15 not the Government.

16 The evidence will show that these people have  
17 acknowledged and accepted responsibility for their role in  
18 these crimes. In any event, the Government's case is not  
19 going to be dependent on any single witness or any single  
20 associate or any single victim. You will hear from over two  
21 dozen witnesses, people from different backgrounds, from  
22 different walks of life. Most of the witnesses don't even  
23 know each other. You will receive in evidence hundreds of  
24 documents that corroborate the witness testimony you're going  
25 to hear during this trial. Together, these witnesses and all

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1 of these documents will establish that Paul Manafort lied to  
2 his bookkeeper, he lied to his tax preparer, he lied to the  
3 IRS, and he lied to multiple financial institutions all in  
4 order to get and to keep money.

5 Ladies and gentlemen, none of this happened by  
6 accident. Shell companies don't create themselves. Neither  
7 do fake loans. Bank records don't falsify themselves. The  
8 evidence will show that Paul Manafort orchestrated these  
9 crimes. He submitted the false tax returns. He willfully  
10 failed to declare his foreign bank accounts. He committed  
11 bank fraud.

12 So at the conclusion of this trial, the United  
13 States with Mr. Andres; Mr. Van Grack; FBI Special  
14 Agent Ebadi; IRS Special Agent Valdini; our paralegal, Mr.  
15 Binder; and I, we have the high privilege and honor to  
16 represent. We will come back to you and we will ask you to  
17 hold this defendant accountable for his actions to make clear  
18 that he is not above the law and that the rules apply equally  
19 to him. We will ask you to find Paul Manafort guilty on each  
20 count of the indictment. Thank you.

21 THE COURT: All right. Mr. -- is it Mr. Zehnle?  
22 All right. Sir, are you ready to make your opening statement?

23 MR. ZEHNLE: I am, Your Honor.

24 THE COURT: All right. You may proceed.

25 MR. ZEHNLE: Thank you.

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**OPENING STATEMENT**

MR. ZEHNLE: May I please the Court? Counsel, members of the jury, good afternoon.

This cases -- this case is about taxes and trust. It's about taxes because, as the prosecutor just explained to you, my client, Paul Manafort, has been charged willfully and intentionally signing false tax returns because he failed to check a box on a schedule that was attached to his returns and because they say he didn't report his income. They also say that he failed to file this foreign bank account report or FBAR, as you'll hear it described.

Now, they talk about his failure to report these accounts and his failure to report the income, but what the evidence will show you is from the years 2005 to 2015 Mr. Manafort reported \$30 million in adjusted gross income. The evidence will show you that his company reported \$92 million in gross revenues over that same period.

This case is also about trust. Because the evidence is going to show you that in his business affairs, in his tax affairs, and that dealing with these mortgage lenders that the prosecutor was just talking about, that Mr. Manafort consulted and involved his employees, his bookkeepers, and his tax accountants. And he trusted them to speak with one another and to make sure that these things were done right.

At its core, this case is about trust because it's

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1 about Mr. Manafort placing his trust in the wrong person. And  
2 you just heard the prosecutor mention his name a moment ago,  
3 Rick Gates. Rick Gates, you'll find out, was Mr. Manafort's  
4 business associate and essentially the man in charge of the  
5 day-to-day operations of Mr. Manafort's business.

6 Mr. Gates pled guilty not more than a couple of  
7 months ago to actually lying to the Government, among other  
8 crimes. And this is the person that you will find the  
9 Government now wants you to trust. There are two sides to  
10 every story. It's an old adage, but it's true. The  
11 Government's story you've just heard: Mr. Manafort is a  
12 criminal. But that is simply not the case.

13 Members of the jury, I'm proud to be here  
14 representing Paul Manafort today.

15 Paul, would you please stand for the jury? Thank  
16 you.

17 Paul Manafort is a talented political consultant and  
18 a good man. He's a second-generation immigrant to this  
19 country and he's the first one in his family to go to college.  
20 Paul Manafort has been involved at the pinnacle of U.S.  
21 politics for almost 40 years. He has been a driving force in  
22 the candidacies of not just one U.S. president but multiple  
23 U.S. presidents. He has been a strategic advisor and  
24 consultant to numerous U.S. senators and members of Congress.

25 And so doing, Paul Manafort has rendered a valuable

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1 service to our system of government. And along the way,  
2 Mr. Manafort was successful.

3 THE COURT: I take it you intend to offer evidence  
4 to this?

5 MR. ZEHNLE: We do, Your Honor.

6 THE COURT: All right. Couch it -- it's preferable  
7 if you couch it in terms of, "You will hear evidence that."

8 MR. ZEHNLE: Yes, Your Honor. Thank you.

9 THE COURT: All right, sir. You may proceed.

10 MR. ZEHNLE: You're going to hear evidence that he  
11 was successful in creating one of the most successful  
12 political consulting and government relation shops in  
13 Washington.

14 You're also going to hear evidence that  
15 Paul Manafort worked as a consultant and a strategist on a  
16 global stage as well.

17 He advised the foreign heads of state and members of  
18 parliament in other countries. And you will learn during this  
19 case that such international consulting is not a partisan  
20 endeavor. Political consultants like Mr. Manafort, who are  
21 often on the opposite side in our U.S. elections, work  
22 together in international campaigns.

23 You'll hear the testimony from Tad Devine, who the  
24 Government has identified as one of their witnesses.  
25 Mr. Devine most recently worked on the campaign of

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1 Senator Bernie Sanders. And he has worked in the past for  
2 Vice President Gore and for Senator John Kerry. Mr. Manafort,  
3 along with Mr. Devine and others, worked on the election of  
4 Viktor Yanukovych in Ukraine. Viktor Yanukovych is the  
5 president, or the "golden goose," as the prosecutor just  
6 referred to him, was the president of Ukraine.

7 The focus of their efforts, you will hear, was to  
8 bring the country closer to western democracies after decades  
9 of Soviet rule.

10 Paul's efforts in particular were aimed to getting  
11 Ukraine into the European Union and away from the Russian  
12 influences. Mr. Manafort could not have possibly anticipated  
13 that his work in Ukraine those years ago would ultimately  
14 bring him here today to this courtroom in Alexandria. Yet  
15 here we are.

16 Paul Manafort shouldn't be here, though. The  
17 evidence will show that Mr. Manafort did not willfully or  
18 intentionally deceive or mislead the IRS about his income or  
19 about any foreign bank accounts to which his company was paid.  
20 Nor was there any secret conspiracy to intentionally mislead  
21 domestic mortgage lenders in giving him loans.

22 The bankers were aware of who Mr. Manafort was and  
23 his prominence. They were aware of his substantial assets,  
24 which the prosecutor has just told you about. And they wanted  
25 to make loans, you will learn.

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1 Now, with respect to those bank accounts, first and  
2 foremost, you will learn that Mr. Manafort was not the one who  
3 was responsible for how or why these accounts were set up in  
4 Cyprus, which, as many of you might know, is an island in the  
5 eastern Mediterranean.

6 The people who were paying the bills for  
7 Mr. Manafort's services, that is, the financial supporters of  
8 the party of regions in the Ukraine, they require this. If  
9 Mr. Manafort was going to get paid for his services, you will  
10 learn, and he wanted to get paid for those services because  
11 these were multimillion-dollar contracts, this was the way  
12 that they required it to be done.

13 In the post Soviet rule of Ukrainian politics, many  
14 of these financial backers for the party of regions did not  
15 want others in Ukraine knowing which party they were  
16 supporting, knowing which candidate they were supporting,  
17 knowing how much they were giving to a particular party,  
18 knowing how much they were giving to a particular candidate.  
19 You will learn that these supporters were the ones who told  
20 Mr. Manafort to use accounts in Cyprus and to use those  
21 accounts in the names of offshore companies. And that is what  
22 they wanted. They did not want to transfer funds within  
23 Ukraine.

24 The evidence will show Paul Manafort did not create  
25 this arrangement. And he certainly was not trying to mislead

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1 or deceive the Internal Revenue Service.

2 This is not a case where someone flies to  
3 Switzerland after making a lot of money here and tried to  
4 stash it in a numbered account.

5 The people that were paying his invoices for his  
6 legal services as a political consultant advisor, they are the  
7 ones who told him to do this. Paul Manafort did not come up  
8 with this.

9 Now, I spoke a moment ago about willfulness. Did  
10 Mr. Manafort willfully or intentionally mislead the IRS? And  
11 as you consider the evidence, that is an important concept.  
12 Because the tax code and the FBAR regulations are complicated.  
13 And so the law requires that an individual must know what the  
14 law is and then intentionally and purposely violate that law.  
15 That is what willfulness is. If a person has a good faith  
16 belief that they are not violating the law, even if that  
17 belief is incorrect, then he or she is not guilty of a willful  
18 crime.

19 U.S. citizens are not prosecuted for mistakes on  
20 their tax returns or failing to file a form that they didn't  
21 believe they had to file. The IRS audits those people. It  
22 doesn't criminally prosecute them. But in the Government's  
23 rush to judgment in this case you're going to learn that  
24 Mr. Manafort was never audited by the IRS, nor were any of his  
25 companies.

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1           So as you consider this, as you hear all the  
2 evidence come in, the documents and the testimony, you might  
3 ask yourself whether the Government knew enough to initiate  
4 the audit. Did they have enough evidence? I mean, the  
5 government knows a lot about us, but did they have enough  
6 evidence to even think about initiating an audit of  
7 Paul Manafort?

8           Here is what you'll hear. FBI Agent Staci Sullivan  
9 interviewed Paul Manafort almost four years ago to the day,  
10 2014. At the time, the FBI was looking at the potential  
11 misuse of Ukrainian government funds and working with the  
12 government of Ukraine. What you're going to learn is that  
13 Paul Manafort voluntarily agreed to go talk to these FBI  
14 agents and to Department of Justice attorneys. Not only to  
15 discuss his consulting work over in Ukraine, but to provide  
16 information about individuals that they were interested in.

17           And here is the key things that you will hear as the  
18 evidence comes in. Here is what he told the government in  
19 that meeting. He told them that he had received \$27 million  
20 in income for his services during the years they were asking  
21 him about in the interview. He explained why the funds were  
22 being sent to these offshore entity accounts in Cyprus, and he  
23 explained why the backers of the party of regions wanted it  
24 this way. And he even identified these accounts by the names  
25 of the entities that they were held in.

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1           And he told the FBI agents and the Department of  
2 Justice attorneys that he didn't have signature authority on  
3 these accounts because he believed he did not have any  
4 signature authority on these accounts. They were set up for  
5 the convenience of the backers of the party of regions. They  
6 weren't convenient to him. He's working in Ukraine.

7           In fact, if you remember one thing from my opening  
8 statement, as you consider the evidence, please ask yourself  
9 how someone who reports to the government that I earn  
10 \$27 million the years you're asking me and I'm telling you how  
11 the money is coming in through bank accounts held in Cyprus in  
12 the name of offshore companies, ask yourself how that person  
13 was willfully and intentionally trying to mislead the  
14 government when he's telling them that.

15           So why are we here then?

16           Well, the evidence will show that we're primarily  
17 here because of one man, and he got short-mentioned during the  
18 prosecution's opening argument. That man is Rick Gates.

19           The foundation of the Special Counsel's case against  
20 Mr. Manafort rests squarely on the shoulders of this star  
21 witness. You're going to hear evidence that Rick Gates was  
22 the point person on DMP -- that's Davis Manafort Partners --  
23 on DMP's business operations and on its financial and tax  
24 affairs. A number of the witnesses, including the company's  
25 bookkeepers, Hesham Ali and Heather Washkuhn; and its tax

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1 accountants, Phil Ayliff and Cindy Laporta, they're going to  
2 confirm for you that Rick Gates was their main contact in this  
3 case.

4 Remember, Mr. Manafort was often seven or eight time  
5 zones away, depending on the time of the season, and he's  
6 working on the existing contract that he has in Ukraine and  
7 he's trying to bring in new business.

8 Paul Manafort could not be everywhere at once, and  
9 the evidence will establish that it was Rick Gates who filled  
10 that operational role and that finance role.

11 Now, unfortunately for Mr. Manafort, his trust in  
12 Rick Gates was misplaced.

13 You're going to see evidence of how Mr. Gates' story  
14 has evolved over time and how the Government was eager to  
15 believe his evolving stories about Paul Manafort. You're  
16 going to learn that Mr. Gates will tell untruths about  
17 Mr. Manafort and about anyone and anything in order to save  
18 himself from prison time, from huge criminal fines, to save  
19 himself from having to pay his back taxes, and all the  
20 penalties that are associated with those taxes that he owes  
21 because of his own personal misdeeds.

22 You see, Rick Gates got himself in trouble not  
23 because of some grand conspiracy with my client, as the  
24 Special Counsel contends, but because he embezzled millions of  
25 dollars from his long-time employer.

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1           He abused his position of trust, you will learn.  
2       And he did not report that money that he embezzled on his tax  
3       returns. And then he compounded the issue by filing amended  
4       tax returns, which were also false, even while he was under  
5       investigation by the government. And if that wasn't enough,  
6       what you will learn, is that he continued to make false  
7       statements even up to the time he pled guilty.

8           That's right. Even as he's trying to cut a deal  
9       with the Government he was still making false statements and  
10      he had to plead guilty to that too.

11          This is the same person that the Government is now  
12      going to ask you to trust. Rick Gates, you will learn,  
13      violated one of life's most basic rules. When you're in a  
14      hole, stop digging.

15          Now, as jurors, you and you alone, as Judge Ellis  
16      said, will be the ones who determine whether or not Mr. Gates  
17      is to be believed. But as you consider his testimony and the  
18      testimony of all the Government's witnesses in this case, you  
19      need to ask yourself, does the witness have a motivation to  
20      testify falsely? Including whether they cut a plea deal or  
21      have potential jail time on the horizon.

22          You should consider whether or not they received a  
23      grant of immunity so that they don't feel like they have any  
24      exposure.

25          You can consider whether or not there are

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1 discrepancies in their testimony now versus what they said  
2 when they were first asked about things.

3           You can consider whether the witness' testimony has  
4 discrepancies with what all the other witness' testimony is.

5           And you should carefully consider their demeanor as  
6 you watch them testify. Do they fidget? Do they make eye  
7 contact? Things like that. Draw upon your own life  
8 experiences in determining what is fact and fiction in this  
9 case.

10           So what are the charges? Well, Judge Ellis has  
11 given you, I think, a succinct outline of the groups of  
12 charges here, and the prosecution has also went through them.  
13 So I'm not going to spend too much time repeating them.

14           But basically the allegations can be viewed in three  
15 groups. The first group relate to allegations that  
16 Mr. Manafort signed false tax returns for each of the years  
17 2010 through 2014. So it's '10, '11, '12, '13, and '14. Five  
18 years.

19           Now, as you listen to the evidence about the tax  
20 counts, you should keep in mind how Mr. Manafort has been  
21 charged and what the Government is claiming, because they say  
22 they are false in two and two ways only: No. 1, he didn't  
23 identify the foreign bank accounts; and No. 2, the report --  
24 the returns did not report all of his income.

25           The second group of charges, as Judge Ellis told

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1 you, deal with this failing to file a Foreign Bank Account  
2 Report. Those charges, however, relate to 2011 through '14.  
3 So there's only four of those charges. 2010 is not charged as  
4 a failure to file.

5 And you're going to hear, as the prosecutor  
6 mentioned to you, that this form is required if a U.S. person  
7 has signature authority or financial interest over a bank  
8 account in another country and it has more than \$10,000 in it.

9 So, essentially, with the first five charges and  
10 then the four FBAR charges that follow, they are essentially  
11 looking at very similar conduct, that is, the whole issue of  
12 these foreign bank accounts.

13 The third group of charges, as you heard, were the  
14 allegations of bank fraud and bank fraud conspiracy. That  
15 there was some secret agreement to keep material information  
16 from these mortgage bankers when Mr. Manafort was applying for  
17 those loans.

18 Now, let's talk about the evidence for each of those  
19 groups. The evidence will show that while Mr. Manafort was  
20 working on those campaigns in Ukraine and generating business  
21 overseas, he hired others to run DMP's operations and to keep  
22 track of the money that was coming in and that was going out  
23 and to take care of the taxes for not only the company but  
24 also on his personal side.

25 So early in the process, up until 2011, you will

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1 hear evidence that Amanda Metzler was the in-house bookkeeper  
2 for DMP. She had started as an assistant. Mr. Manafort had  
3 hired her just after college, and she had worked her way up  
4 the ladder.

5 She was using QuickBooks to control the firm's  
6 financial information, and she gave that financial information  
7 to the accountants, a firm which we'll abbreviate the firm's  
8 name as KWC. KWC are the outside tax accountants, and they  
9 handled the tax returns and the forms that are associated with  
10 the tax returns.

11 Mr. Manafort's company was generating millions of  
12 dollars at this time. And you'll learn that Ms. Metzler had  
13 full access to the accounts and she paid the company's bills  
14 from the accounts here in the U.S.

15 Now, you will learn that during her time as a  
16 bookkeeper, she was aware of the offshore accounts because the  
17 funds, when they would come into the U.S., would be deposited  
18 into the company's U.S. accounts and she would, of course, see  
19 on the bank statements where the money is coming from.

20 So some of the names you'll hear, Ms. Metzler saw  
21 deposits from Yiakora, from Evo Holdings, from Global Highway.  
22 These are some of the names of the accounts in which the money  
23 was held. She knew about offshore companies like LOAV  
24 Advisors, L-O-A-V, and Pericles.

25 None of this was hidden from her. It was in the

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1 open and it was transparent and she could see it on the  
2 statements.

3           You'll also hear from Ms. Metzler that Rick Gates  
4 had to be advised about all the bills and invoices coming in.  
5 And you'll also hear Ms. Metzler tell you that it was Rick  
6 Gates who was the one who would transfer money and amounts  
7 into the company's accounts to pay the bills.

8           Now, in 2011, Ms. Metzler is gone and Mr. Manafort  
9 hires a professional accounting firm to handle DMP bookkeeping  
10 and payment processing and as well handle his personal  
11 finances.

12           Heather Washkuhn was the person. She was first at  
13 First Republic Bank in their personal financial services  
14 group, and later she went to an accounting and bookkeeping  
15 firm, which we will refer to as NKSFB. That's the name for  
16 all the partners.

17           But essentially First Republic Bank had a group, you  
18 will learn, that handled the personal finances, was a personal  
19 finances group, and then they moved that group over to NKSFB.  
20 And Heather Washkuhn was there during both periods.

21           Ms. Washkuhn provided the bill paying services to  
22 Mr. Manafort, you will learn, and she would transfer funds and  
23 she would maintain ledgers and she would provide this  
24 accounting information to KWC, which are the outside tax  
25 accountants. And it was those tax accountants who then

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1 prepared Mr. Manafort's business returns and his personal  
2 returns.

3 Ms. Washkuhn also had a supervisor at First Republic  
4 Bank, and his name was Hesham Ali. And he supervised her work  
5 and he also provided accounting and bookkeeping services for  
6 Mr. Manafort's entities and for his personal finances.

7 The evidence is going to show you that Mr. Ali and  
8 Ms. Washkuhn, they were signatories on those DMP bank accounts  
9 along with Rick Gates so that all the bills could get paid  
10 that were coming in.

11 Now, these individuals will also tell you that the  
12 accounting and bookkeeping for these entities was complicated.  
13 It's not surprising because you will learn that this was a  
14 very small staff but generating large revenues.

15 Importantly, as I said, Ms. Washkuhn and Mr. Ali  
16 will confirm what I previewed, that they contacted Rick Gates  
17 regarding any issues that were related to income, to expenses,  
18 to loans and the like.

19 They only met Mr. Manafort on rare occasion one or  
20 two times, and they didn't speak to him on the phone very much  
21 at all.

22 Again, Rick Gates was the contact point for all the  
23 day-to-day operations and the financial matters of the  
24 company.

25 You're going to hear the tax accountants who were

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1 responsible for preparing those returns. And because of  
2 Paul's travel schedule, you're going to hear that when they  
3 had questions about the tax returns, whether it be for the  
4 business returns or whether it be for Mr. Manafort's personal  
5 returns, that it was Rick Gates who was the point person for  
6 the financial information they needed. And the documents are  
7 going to show that when there were questions to be asked and  
8 answered, they sent them to Rick Gates.

9 Phil Ayliff and Cindy Laporta are the two partners  
10 at KWC, the tax accounting firm. And they worked on these  
11 returns. They will tell you this. The problem was Rick Gates  
12 was not giving these professionals the full story. The  
13 problem was, and you will learn this, Rick Gates had his hand  
14 in the cookie jar and he couldn't take a chance that his boss  
15 might find out. So if he told the accountants and bookkeepers  
16 the truth, his embezzlement would be discovered and the jig  
17 would be up.

18 So let's talk about how he did it. Well, with  
19 respect to those FBAR accounts, those foreign bank accounts,  
20 remember what I said earlier, that the evidence will show you  
21 that these accounts were set up not at Paul's initiative but  
22 at the initiative of the people who were paying for his  
23 services on behalf of the Ukrainian Party of Regions.

24 And so for each separate campaign that he worked on,  
25 the evidence will show, for example, if it was a presidential

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1 campaign, they would set it up in a company name, Company A,  
2 and then if two years later there was a parliamentary campaign  
3 and they were dealing with different candidates, that would be  
4 set up in Company B so that they could keep track for each  
5 contract what the money is coming in for and what the money is  
6 going out for in terms of expenses.

7 Paul Manafort instructed that neither he nor Rick  
8 Gates should be on these accounts. Paul agreed to use those  
9 bank accounts in Cyprus and put them up in these offshore  
10 entities, because that is the way the client wanted it to be  
11 done.

12 What the evidence will show you, however, is that  
13 Rick Gates kept his name on these accounts so that he could  
14 keep control. He could then contact the people in Cyprus who  
15 had charge of these accounts and he could have them send money  
16 where he wanted it to be sent. And because he was on the  
17 corporate documentation and because he was on the bank's  
18 signature cards, he could do it.

19 Since things were getting paid and because Paul was  
20 very busy working on multiple campaigns in Ukraine and the  
21 money was coming in, everything seemed fine.

22 Rick was handling the financial operations and he  
23 was communicating directly with the company's bookkeepers and  
24 the company's tax accountants. But little did Paul know that  
25 Rick Gates was lining his own pockets and the evidence will

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1 show he was claiming fake bonuses and business expenditures in  
2 order to pay himself.

3 Now, there is no dispute that Rick Gates also sent  
4 money from these accounts to pay for Paul's personal expenses,  
5 so let me speak to that just for a moment.

6 You've heard a great deal about it during the  
7 prosecutor's opening remarks, and I suspect you're going to  
8 hear a lot more about it during the trial. But there's really  
9 no dispute.

10 Members of the Jury, Paul Manafort travels in  
11 circles that most people will never know and he has gotten  
12 handsomely rewarded for it.

13 We do not dispute that. Paul Manafort, you will  
14 see, made millions of dollars as a political consultant, and a  
15 good deal of that money was made on those Ukrainian campaigns  
16 for the Party of Regions. We don't contest that.

17 We don't contest that Paul Manafort spent a lot of  
18 money and lived a lifestyle that most people can only dream  
19 of. These facts are not in dispute. Nevertheless, you're  
20 going to hear a lot about what Paul spent his money on.

21 The prosecutors, as you've heard, will present  
22 evidence about Paul's expensive tailored suits, or his  
23 Mercedes-Benz cars or Range Rovers. They'll talk about season  
24 tickets to sporting events. And they're going to show you  
25 pictures of all of this as if you've never seen luxury cars or

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1 nice homes before.

2 But as you listen to the evidence, you need to  
3 consider how those expenditures actually prove the case that  
4 the Government has brought before you or whether those  
5 pictures and those documents and that evidence is being put in  
6 for some other reason.

7 Money is coming in fast and it's a lot. And Paul  
8 Manafort trusted that Rick Gates was keeping track of it and  
9 that he was communicating with the company's bookkeepers and  
10 its tax accountants, the professionals that Paul Manafort  
11 hired to keep it all straight.

12 That's what Rick Gates was getting paid for, by the  
13 way. But, again, the evidence is going to show you Paul --  
14 Paul's trust was misplaced.

15 Finally, the third group that Judge Ellis talked to  
16 you about were the bank fraud counts and the related  
17 conspiracy charges that went with them.

18 Now, conspiracy involves a secret agreement among  
19 the participants. But the evidence will show that nothing was  
20 being hidden here. Paul Manafort was open with his outside  
21 professionals, those bookkeepers and tax accountants, about  
22 why he was seeking the mortgages and what he wanted to do with  
23 the money if the loans were approved. Nothing was being  
24 hidden by him.

25 The Government alleges that -- in its indictment,

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1 that Paul Manafort intended to violate the conditions of one  
2 loan agreement that required 1.4 million to be used to  
3 renovate a property. But you're going to hear evidence in  
4 form of witness testimony and e-mails that completely refute  
5 that allegation.

6 You're also going to hear evidence that most of the  
7 banks ultimately did receive the information that the  
8 Government contends was kept from them, and they received it  
9 before they made the mortgage loans.

10 For another bank you're going to hear evidence from  
11 witnesses that it was going to give Paul the mortgage loan  
12 regardless of his income because of his substantial assets so  
13 that the income information that Rick Gates forwarded to them  
14 was not even material to their decision.

15 You see, it's not as the prosecutor said, that it's  
16 just about income and debt. Loans can also be based on a  
17 person's net worth and how substantial their assets are to  
18 provide collateral.

19 What will be shown is that Paul had legitimate  
20 reasons for applying for these loans. And, in fact, before  
21 the Government brought the case and seized the funds, these  
22 loans were all being repaid by -- at the banks. No one was  
23 out a dime.

24 At the end of the day, Members of the Jury, you're  
25 going to find evidence that Paul Manafort trusted Rick Gates

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1 to handle the day-to-day operations of his company and his own  
2 finances, his personal finances. And he expected Rick Gates  
3 and trusted Rick Gates to coordinate with the professionals,  
4 the outside professionals, that he, Paul Manafort, hired.

5 Rick Gates had worked for Paul for more than a  
6 decade, and Paul trusted him. Paul was working on lucrative  
7 consulting contracts halfway around the globe, and Rick Gates,  
8 you will find, took advantage of Paul's trust.

9 Now, this is the same person upon whom the  
10 Government has built its entire case. Rick Gates is their  
11 foundation. It will be your job to assess his credibility,  
12 whether to believe him, and whether to determine whether that  
13 testimony is credible beyond a reasonable doubt, the highest  
14 standard of proof that our law knows.

15 Finally, if I might, I'm going to ask you that you  
16 please don't make up your mind on any of this until you've  
17 heard all the evidence. It's natural to start forming  
18 impressions as the information comes in. But as Judge Ellis  
19 told you, one of the most important principles of our American  
20 justice system is the presumption of innocence.

21 So Mr. Manafort is presumed innocent as he sits here  
22 today and he's going to be presumed innocent and should be  
23 presumed innocent to you throughout the presentation of all  
24 this evidence. And that's why we ask you not to form early  
25 judgments.

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1           Now, at the conclusion of this -- the presentation  
2 of evidence, we'll have a chance to come up and review the  
3 documents to review the testimony with you.

4           And at that time we're going to ask you to return a  
5 verdict of not guilty. Thank you for listening.

6           THE COURT: All right. Call your first witness on  
7 behalf of the Government, please.

8           MR. ANDRES: Judge, I'm not sure if the Court was  
9 intending on taking an afternoon break, but if we could just  
10 take a quick break, we can move the exhibits and the binders  
11 to get ready for the witness.

12           THE COURT: All right. I will do that.

13           Ladies and gentlemen, we will take a brief recess.  
14 Remember during the recess not to discuss the matter among  
15 yourselves or with anyone and not to undertake any research at  
16 all. And don't allow anyone to speak to you about it.

17           Now, I intend to go until about 5:30 or 6 o'clock at  
18 the very latest. If any of you have any childcare or other  
19 responsibilities that you must attend to that would preclude  
20 that, tell Mr. Flood during this recess and I will accommodate  
21 them. I'll release you promptly at 5:00 if you really need to  
22 be released then. But I want to get the matter going and  
23 done, and the way to do that is to start with the evidence  
24 today.

25           Pass your books to the right. The court security

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1 officer will collect them, maintain their security during the  
2 recess. There will be soft drinks, I think, available to you  
3 back there. Help yourself to them. Make sure you fill out  
4 your menu. Have you seen it yet? Did you find the baked  
5 Alaska? Oh, I'm sorry. But I think you'll find something on  
6 there that you can eat. You may follow Mr. Flood out now.  
7 Reconvene in 15 minutes, which I have to be 4:20.

8 (Jury excused.)

9 THE COURT: You may be seated. I'm going to take a  
10 15-minute recess now. Anything further at this time?

11 The Court stands in recess for 15 minutes. Don't  
12 bother standing.

13 (Recess.)

14 THE COURT: All right. You may call the  
15 Government's first case -- or first witness. I beg your  
16 pardon, Mr. Andres.

17 MR. ANDRES: I just wanted to alert Your Honor to  
18 the first thing I'm going to ask the Court to do is read a  
19 stipulation. So since I'm going to task you with that  
20 request --

21 THE COURT: All right.

22 MR. ANDRES: -- it's Stipulation 448. And I know  
23 it's Your Honor's intention to read that himself.

24 THE COURT: That's right.

25 MR. ANDRES: I think we have a copy up on your

1 chambers. If not, I can give you this one. No?

2 THE COURT: I don't see a copy up here.

3 MR. ASONYE: It's behind Your Honor, I believe, all  
4 the exhibits.

5 THE DEPUTY CLERK: What number?

6 MR. ANDRES: It's 448. I can get -- yeah.

7 THE COURT: Hand me -- what I have behind me are --

8 MR. ANDRES: Understood, Judge.

9 THE COURT: -- loose-leaf binders. I'm not going to  
10 go through them.

11 MR. ANDRES: Judge, the second issue I wanted to  
12 just raise with Your Honor is that many of the documents for  
13 this witness will be admitted pursuant to a 902(11) business  
14 records stipulation, which I don't intend to admit into  
15 evidence. But we've provided them to the defense and we have  
16 copies if Your Honor wants to see them.

17 THE COURT: All right.

18 MR. ANDRES: Okay.

19 THE COURT: Any problem with those?

20 MR. WESTLING: We have no challenge foundation on  
21 these documents, Your Honor.

22 THE COURT: All right.

23 MR. WESTLING: Only issue may be relevancy.

24 THE COURT: Well, is this one of the documents in  
25 the motion in limine?

1 MR. WESTLING: Some of these documents will be, Your  
2 Honor.

3 THE COURT: All right. I think there were what, how  
4 many documents that were involved in the motion in limine?

5 MR. WESTLING: A total of about 60, 50 or so. And I  
6 think 20 of them relate to this witness or something in that  
7 neighborhood. And, Your Honor, I think given, frankly, what  
8 was said in opening, we may let this proceed. I don't know  
9 that we're going to have objections to as many, as things  
10 develop. So it may be better to --

11 THE COURT: Which documents? I want to be able to  
12 do it quickly.

13 MR. WESTLING: Yes, sir.

14 THE COURT: Which documents do you intend to offer?  
15 Have you told counsel about those?

16 MR. ANDRES: I did. We notified the Court and  
17 counsel that we'd be admitting through Mr. Devine, he'll be  
18 the next witness, Exhibits 3 through 22.

19 THE COURT: All right. Are there any objections to  
20 3 through 22?

21 MR. WESTLING: We do not have objections to 3  
22 through 22, Your Honor.

23 THE COURT: Any other through this witness?

24 MR. ANDRES: No, Judge.

25 THE COURT: So how long do you expect this witness

1 to take?

2 MR. ANDRES: I think about an hour.

3 THE COURT: All right. So he'll be the only witness  
4 we'll do today. There aren't any problems with the exhibits,  
5 so let's get on with it.

6 MR. ANDRES: Thank you, Judge. You want to put the  
7 witness on the stand before the jury comes in?

8 THE COURT: Say again.

9 MR. ANDRES: Do you want the witness on the stand  
10 before the jury comes in?

11 THE COURT: No.

12 MR. ANDRES: Okay.

13 THE COURT: The other way around. Let me -- when  
14 the jury comes in, I'm going to read to them the stipulation  
15 regarding the e-mail, then you may have your -- you may call  
16 your witness.

17 All right. You may bring the jury in, please.

18 Oh, just a moment. Mr. Flood, just a moment.

19 I have had word that some of the witnesses, maybe  
20 not this particular witness, have lawyers accompanying them  
21 and they wish to have their lawyers present. I understood  
22 that they wish to have their lawyers present with them at the  
23 witness stand rather than in the courtroom. If they have that  
24 request, they can make it in open court.

25 Otherwise, the lawyer can just sit in the body of



1 the court. If that's not acceptable to the party or to the  
2 witness or the lawyer, they can make their request in open  
3 court and I'll consider it.

4 There's no authority that I know of that requires  
5 any witness who wants to have a lawyer present, to have the  
6 lawyer next to him or her at the witness stand. And I have  
7 never so -- done so as a matter of course. Now, if someone  
8 wants to make a special request and give me a reason or  
9 authority that I should consider, I'll consider it.

10 Otherwise, they can sit in the courtroom.

11 MR. ANDRES: Understood, Judge.

12 Just with respect to that stipulation, the  
13 Government is going to move to enter the stipulation into  
14 evidence and I'd just note from our private discussions with  
15 defense counsel, that they at least intended to object to the  
16 admission of those stipulations. So I just wanted to  
17 highlight that issue.

18 MR. WESTLING: Your Honor, we would prefer that the  
19 Court read the stipulation, but not enter the document into  
20 evidence only because we believe it overemphasizes the  
21 stipulation as should be heard as oral testimony is throughout  
22 this case.

23 MR. ANDRES: Judge, there are more than 15  
24 stipulations in this case. There's absolutely no reason that  
25 we should be hiding these from the jury if they're being --

1           THE COURT: I usually send stipulations back to the  
2 jury. So I understand your view to the contrary, your  
3 objection, I'll overrule it. It's what I do. I think it's  
4 important for the jury to hear it and then see it when they  
5 want to consider the evidence. I don't think it has the  
6 effect of emphasizing specific elements. These are formal  
7 matters largely. So the request is denied.

8           Bring the jury in, please.

9           (Jury in.)

10          THE COURT: I see the beginning of a trend. There  
11 is -- I saw the claim of a seat here and I see some others as  
12 well. All right. You may be all seated now.

13          Ladies and gentlemen, as I said, I'll go until about  
14 5:30. I think the next witness will take approximately an  
15 hour and I did not receive any concern from any juror as to  
16 going another hour. Am I correct? Good.

17          All right. Now, first, I'm going to read to you a  
18 stipulation, which is something the lawyers can do. They can  
19 stipulate to the admissibility of certain facts or matters.  
20 And you're entitled to accept that jurisdiction and treat the  
21 facts as having been proved or the matters having been agreed  
22 to.

23          In this case, the parties stipulate that the  
24 defendant, Paul Manafort, was the person who was the assigned  
25 subscriber of the following e-mail accounts and then there are

1 a number of those: PManafort@DMPINT.com and  
2 PM223114@gmail.com and PMManafort@DavisManafort.com. That's  
3 the first paragraph.

4 Second paragraph is with respect to all e-mails  
5 introduced at trial, which had previously been produced by the  
6 United States to the defense, as part of the discovery  
7 process, the stipulation is that the e-mails are authentic and  
8 no further testimony is necessary to establish their  
9 authenticity. Authenticity is a judgment, is a criterion of  
10 admissibility. And the judge makes that typical determination  
11 if there's an objection. It simply means that the document is  
12 authentic. It is what it purports to be. If there is a  
13 concern about whether it isn't what it purports to be, it  
14 isn't an e-mail from X to Y on such and such a date, even  
15 though it purports to be that, then I have to consider that.  
16 But the stipulation here is that the e-mails that are going to  
17 be introduced with this witness?

18 MR. ANDRES: During the entire trial, Judge.

19 THE COURT: All right. During the trial are e-mails  
20 that were authored and sent from the e-mail account listed on  
21 the particular e-mails, that the e-mails were received by the  
22 recipient on the particular e-mails, and that the e-mails were  
23 sent on the date listed on the e-mails.

24 Now, let me ask one other question. It says in the  
25 stipulation that the defendant was the person who was assigned

1 subscriber of the following e-mail accounts. I'm not sure,  
2 since I'm not a person of this century, maybe not even the  
3 last century, what does assigned subscriber mean?

4 MR. ANDRES: It means that the defendant was the  
5 owner of those accounts. Those were his e-mail accounts.

6 THE COURT: All right. Is the inference then that  
7 the e-mails that you introduced from those accounts were  
8 authored by him, authorized by him, or what?

9 MR. ANDRES: Certainly, Judge. It was his e-mail  
10 account, so that's certainly the inference.

11 THE COURT: Well, I don't have an e-mail account. I  
12 never have and never will. I don't know. I have a telephone  
13 and some people can use my telephone with my authorization,  
14 so --

15 MR. ANDRES: This stipulation doesn't preclude that  
16 though, Judge. But there will be testimony about particular  
17 individuals who received those e-mails and will testify they  
18 responded to the defendant and the like. So we understand  
19 that. The stipulation governs the fact that those were his  
20 e-mail accounts.

21 THE COURT: My wife has several e-mail accounts. My  
22 wife has multiple computers and lots of other things. And if  
23 I were to fiddle with any of them, my life would be in danger.  
24 I would have to resort to the witness protection program.

25 All right. Call your first witness, please.

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1 MR. ANDRES: Judge, the Government would like to  
2 move into evidence the stipulation you just read.

3 THE COURT: Yes, it'll be -- every stipulation will  
4 be part of the exhibits admitted into evidence, in this case,  
5 448.

6 MR. ANDRES: Thank you, Judge.

7 The Government calls Thomas A. Devine.

8 (Government's Exhibit No. 448  
9 admitted into evidence.)

10 THE COURT: Come forward. Take the oath, please,  
11 sir.

12 Thereupon,

13 **THOMAS A. DEVINE,**

14 having been called as a witness on behalf of the Government  
15 and having been first duly sworn by the Deputy Clerk, was  
16 examined and testified as follows:

17 (Witness seated.)

18 THE COURT: All right. You may proceed.

19 **DIRECT EXAMINATION**

20 BY MR. ANDRES:

21 Q. Please state your name for the record.

22 A. My name is Thomas Arthur Devine. I go by Tad Devine.

23 Q. How old are you, Mr. Devine?

24 A. 63.

25 Q. Can you briefly describe your educational background?

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1 A. Yes. I'm a graduate of Brown University, a graduate of  
2 Suffolk University school of law.

3 Q. And what field do you work?

4 A. I'm a political consultant.

5 Q. How long have you worked as a political consultant?

6 A. For 25 years.

7 Q. Can you tell the jury what types of things you do,  
8 what -- the specifics of your profession as a political  
9 consultant?

10 A. Yes, I -- mostly, I make television ads. I write,  
11 direct, and produce television ads. I also do strategy,  
12 media, communications for campaigns.

13 Q. Are you involved in speech writing from time to time?

14 A. Yes, I am.

15 Q. Have you worked in -- as a political consultant outside  
16 of the United States?

17 A. Yes.

18 Q. Approximately, how many countries have you worked as a  
19 political consultant?

20 A. I think nine countries.

21 Q. And can you explain to the jury how, as an American,  
22 American citizen, you're able to go to other countries and  
23 work on their political campaigns?

24 A. Yeah. Most of my work in foreign countries is producing  
25 television ads and it relies on polling and research that we

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1 do in those countries. So even though I'm not very familiar  
2 with the culture or other aspects of that country, I am very  
3 familiar with campaigns and particularly familiar with the  
4 production of television advertising and the context of  
5 campaigns.

6 Q. Have you worked in Ukraine?

7 A. Yes, I have.

8 Q. Who hired you to work in Ukraine?

9 A. Paul Manafort.

10 Q. What did Mr. Manafort hire you to do in Ukraine?

11 A. To work on the media team, to really head up the media  
12 time, to make television advertisements, to work also with  
13 speeches and communication for the campaigns.

14 Q. And over what period of time did you work for  
15 Mr. Manafort in the Ukraine?

16 A. I began work in 2005 and continued to work through 2010,  
17 I believe.

18 Q. Okay. At some point after 2010, did you go back and work  
19 again later?

20 A. I did. Yes, I worked on a project in 2014 as well.

21 Q. Okay. Who did you report to on these projects that you  
22 worked on in the Ukraine?

23 A. To Paul Manafort.

24 Q. And what did you understand Mr. Manafort's role to be on  
25 various elections in the Ukraine?

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1 A. He was in charge of the campaign. He was the person who  
2 ran it.

3 Q. And do you know who he reported to?

4 A. To the Party of Regions and its leader, Viktor  
5 Yanukovych.

6 Q. Okay. Who is Viktor Yanukovych?

7 A. He was the leader of the Party of Regions. He was  
8 elected prime minister in the first campaign we worked on  
9 together. He was elected president in 2010 on the final  
10 campaign we worked on together.

11 Q. And what is the Party of Regions?

12 A. The Party of Regions is a major political party in  
13 Ukraine. It's -- regions are kind of like our states. So it  
14 would be the party of different states or regions of the  
15 country.

16 Q. Have you maintained a relationship with Mr. Manafort  
17 since you first worked with him?

18 A. Yes.

19 Q. How would you describe that relationship?

20 A. As a friendly relationship.

21 Q. Can I ask you to look around the courtroom today and tell  
22 me if you see Mr. Manafort in the courtroom?

23 A. Yes, I do.

24 Q. Can I ask you to point out something he's wearing?

25 A. He's wearing a --

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1 THE COURT: I'll let the record reflect that the --  
2 he has identified Mr. Manafort. Next question.

3 BY MR. ANDRES:

4 Q. Mr. Devine, did you produce documents to the Government  
5 pursuant to a subpoena in this matter?

6 A. Yes, I did.

7 Q. What types of materials did you produce?

8 A. Contracts between my firms and Paul's firm. Memorandum  
9 that we prepared for the campaign. Television advertising  
10 scripts and advertisements themselves. Speeches that we  
11 worked on, talking points.

12 Q. And did you meet with the Government to review those  
13 materials prior to your testimony?

14 A. Yes, I did.

15 Q. Let me ask you about your employment history. Have you  
16 been a principal or a partner in any political consulting  
17 firms?

18 A. Yes.

19 Q. Can you briefly tell the jury where you worked and over  
20 what time period?

21 A. Well, I've worked as a political consultant since 1993.  
22 I was a partner in a firm in Washington, D.C. It was called  
23 Doak, Shrum, Harris, Carrier, Devine. I then worked in  
24 another firm called Shrum, Devine, Donilon. I then worked in  
25 a firm called DMV Media, then Devine, Mulvey and now I work in

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1 a firm called Devine, Mulvey, Longabaugh. So I've had  
2 different partners through the years.

3 Q. All right. You testified that you worked in the Ukraine.  
4 Can you explain how you first came to work in the Ukraine?

5 A. Yes. My former partner, Mike Donilon, was contacted by  
6 Rick Davis who was Paul's partner. They knew one another.  
7 And they asked if we would be interested in working on the  
8 project in Ukraine. We were busy with a domestic campaign at  
9 the time. This was the fall of 2005. Mike was mostly working  
10 on that.

11 I had just finished a campaign outside the country  
12 and done a lot of work, foreign work. So it was decided that  
13 I would handle the Ukrainian project. I spoke to Paul on the  
14 phone. He told me that he thought I should travel to Ukraine,  
15 meet the people there, meet the team.

16 THE COURT: All right. You've answered the  
17 question. Next question.

18 BY MR. ANDRES:

19 Q. Mr. Devine, when you reference Paul --

20 A. Yes.

21 Q. -- who are you referring to?

22 A. Paul Manafort.

23 Q. Okay. So you had an invitation to work on a project.  
24 Can you tell us what happened next?

25 A. Yes, I traveled to Kiev. I met with people from the

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1 Party of Regions. I met with people who worked for the  
2 campaign, policy people and others who were working on the  
3 election campaign, making sure that it was, you know, a free  
4 and fair election. And after that, I decided that I would  
5 work for him.

6 Q. What was your impression of the operation that  
7 Mr. Manafort had in the Ukraine?

8 A. My impression was that it was a really incredible  
9 operation. He had a lot of really good people in place, very  
10 well organized. And I was deeply impressed by him and the  
11 people around him.

12 Q. And what about the resources that Mr. Manafort had?

13 A. I thought there was substantial resources for the  
14 campaign. There were a lot of people working there and he  
15 seemed to be well resourced.

16 Q. And was that significant to you?

17 A. Yes, it was significant because if you don't have a lot  
18 of resources, how do you win campaigns.

19 Q. At that time when you first went to the Ukraine, did you  
20 have an understanding of what political party or candidate  
21 Mr. Manafort was representing?

22 A. A little bit of an understanding, but most of it was  
23 developed in my trip there and, you know, reading about it --

24 Q. And what did you learn?

25 A. I learned that, you know, there'd been a lot of

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1 controversy in Ukraine. There was a revolution there that the  
2 previous election was disputed. I learnt that -- from people  
3 I met in my trip there, that -- and these were Ukrainian  
4 people that I met -- that they believed that Yanukovych had  
5 moved on, had lost a lot of the bad people with him, that they  
6 were going to support him. So, you know, I learned that, you  
7 know, while there were issues from past elections that, you  
8 know, well, this was a new election and a new time.

9 Q. Do you know at the time that Mr. Manafort first started  
10 working for Mr. Yanukovych what his political fortunes were or  
11 whether he was considered a viable candidate?

12 THE COURT: The question is now compound.

13 MR. ANDRES: Sorry, Judge.

14 BY MR. ANDRES:

15 Q. When you first began working or when Mr. Manafort first  
16 started working for Mr. Yanukovych, what was Mr. Yanukovych's  
17 political standing?

18 A. His standing was very low. He had, you know, lost a  
19 previous election. He -- his, you know, standing in politics  
20 was that this was a guy who was part of the past and really  
21 had no political future.

22 Q. So you testified that he ultimately became the president.  
23 What do you attribute that success to?

24 A. I attribute it to excellent campaigns that Paul ran, to a  
25 good team, a good message that connected with voter.

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1 Q. In addition to the -- in addition to the first engagement  
2 that you had, did you work on other elections in the Ukraine?

3 A. Yes, I did.

4 Q. What other elections do you remember?

5 A. I worked -- there was a special parliamentary-called Rada  
6 election that I think was sometime around 2007. We had some  
7 local elections in that period, 2007 to 2008. I worked on the  
8 presidential election, 2009 to 2010. I think we had some  
9 local elections thereafter in 2010, and that's when I stopped  
10 working.

11 Q. You testified that you worked on a 2010 presidential  
12 election. Who did -- who did Mr. Manafort represent in that  
13 election?

14 A. Viktor Yanukovych in the Party of Regions.

15 Q. Do you know what Mr. Manafort's relationship was with  
16 Mr. Yanukovych?

17 A. Yes, I believed it was a very close relationship. They  
18 spent time together. He dealt with him directly and  
19 frequently.

20 Q. And how did you know that?

21 A. I know that because he told me that and others told me  
22 that as well who were involved in the campaign.

23 Q. Okay. There's an exhibit binder. Let me ask you to take  
24 a look at Exhibit No. 4.

25 A. Yes.

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1 Q. Do you see that?

2 A. Yes.

3 Q. Is that something you've seen before?

4 A. Yes.

5 Q. Is that document relevant to your work with Mr. Manafort?

6 A. Yes, it is.

7 Q. And can you tell -- can you tell the Court what -- what  
8 document is included in Government Exhibit 4?

9 A. Yes. This is a consulting agreement between Paul's  
10 company, Davis Manafort International, and my firm, and  
11 another firm who was working with us on this project.

12 MR. ANDRES: The Government moves to admit  
13 Government Exhibit 4.

14 MR. WESTLING: No objection.

15 THE COURT: Admitted. Next question.

16 (Government's Exhibit No. 4  
17 admitted into evidence.)

18 MR. ANDRES: Let me direct your attention -- can I  
19 publish that, Judge?

20 THE COURT: Yes, but we don't need to prolong it. I  
21 mean, if it's going to play some significant role you may  
22 highlight something, but let's move on --

23 MR. ANDRES: Thanks, Judge.

24 THE COURT: -- as expeditiously as you can. The  
25 answer to your question is yes, but --

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1 MR. ANDRES: Yes, but quickly.

2 THE COURT: Yes.

3 MR. ANDRES: Understood, Judge. Thank you.

4 BY MR. ANDRES:

5 Q. Mr. Devine, can you tell what this document is?

6 A. This is a contract between my firm and another firm that  
7 worked with us and Paul's firm, Paul Manafort's firm.

8 Q. Okay. So in the first paragraph does it identify the  
9 parties?

10 A. Yes, it does.

11 Q. And who are the parties?

12 A. The parties are Davis Manafort International, and my  
13 firm, Devine Mulvey, and another firm, Rabin Strasberg, who is  
14 working with us.

15 Q. Okay. And does the contract identify what the specific  
16 election or term you're going to work on is?

17 A. Yes. It's for the presidential election in Ukraine.

18 Q. Of what year?

19 A. In -- the election will be held in 2010 but the work  
20 began in 2009.

21 Q. Does the contract cover what your compensation would be?

22 A. Yes, it does.

23 Q. And can you explain that to the jury?

24 A. Yes. The compensation that we agreed to in this contract  
25 was -- for a total sum of \$500,000, was payable on a monthly

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1 basis. And in addition to that, if we were successful in this  
2 campaign and Yanukovych was elected president, we would  
3 receive a success fee of \$100,000.

4 Q. Okay. And did President Yanukovych win this election?

5 A. Yes, he did.

6 Q. And did you receive a success fee?

7 A. Yes.

8 Q. Can you turn to the last page of the contract and tell me  
9 whether it's signed?

10 A. Yes, it is.

11 Q. Who signed the contract?

12 A. Paul Manafort signed it, I signed it, and Dan Rabin,  
13 Daniel Rabin, signed it for his firm.

14 Q. And then just one additional question. If you turn back  
15 to the first page, it says, "Scope of services."

16 Can you explain to the jury what services you were  
17 being contracted for here?

18 A. Yes. We were contracted to render media services. And  
19 we would provide media services, including the production of  
20 all television radio advertisements. That meant involvement  
21 in the planning of those advertisements, the editing, the  
22 finalization of television and radio ads, scripts for them.  
23 You know, that we would participate in strategy and planning  
24 for media for the presidential campaign and travel to Ukraine  
25 in order to do that.

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1 Q. The -- the contract is signed by -- or there's a heading  
2 for Davis Manafort International. What did you understand  
3 that to be?

4 A. I understood that to be Paul Manafort's firm.

5 Q. Do you know if other individuals, either who were working  
6 for or associated with his firm, worked with you on the  
7 elections in the Ukraine?

8 A. Yes.

9 Q. Did you meet an individual named Rick Gates?

10 A. Yes, I did.

11 Q. Who else did you identify with Mr. Manafort or his firm?

12 A. Working in Ukraine?

13 Q. Yes.

14 A. Yes. Phil Griffin was another person that we worked with  
15 frequently there. And there was Konstantin Kilimnik, who  
16 worked there as a translator. And there were -- there were  
17 others, Ukrainians' names I really don't remember right now.  
18 Those are the major people we worked with.

19 Q. With respect to Konstantin Kilimnik, did he have a  
20 nickname?

21 A. Yes, we called him "KK."

22 Q. Did you find it common that people referred to the  
23 Ukrainians by their initials?

24 A. Well, him for sure.

25 Q. Okay.

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1 A. You know, and I think perhaps for others as well, yes.

2 Q. On documents and memoranda?

3 A. Yes, absolutely. Yeah, documents.

4 Q. With respect to Mr. Gates, what did you understand

5 Mr. Gates' role to be at Mr. Manafort's firm?

6 A. I understood Rick to be -- I would call him Paul's  
7 business guy. The one who handled the contracts, our travel.  
8 You know, those kinds of matters he would deal with.

9 Q. And did you interact with him?

10 A. Yes.

11 Q. And vis-à-vis Mr. Manafort, what was his role? Were they  
12 peers? Were they --

13 A. No. You know --

14 THE COURT: The question is now compound and  
15 leading.

16 BY MR. ANDRES:

17 Q. Could you describe Mr. Gates' role in connection with  
18 Mr. Manafort?

19 A. Yes. Paul was in charge. Rick worked for Paul.

20 Q. And what about Mr. Kilimnik? What was his role?

21 A. His role was to work as a translator with us and, you  
22 know, he also worked for Paul under -- you know, he was in  
23 charge of the campaign.

24 Q. How about Phil Griffin?

25 A. Phil Griffin worked on a lot of political things with us.

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1 He would be available to facilitate our work, you know, going  
2 to studios. He would give us direction as to what we were  
3 supposed to be working on at that time.

4 Q. Do you know if Mr. Manafort had an office in the Ukraine?

5 A. Yes, he did.

6 Q. Do you know where it was located?

7 A. Yes.

8 Q. Where?

9 A. It was located next to the main square in Kiev called the  
10 Maidan.

11 Q. During the time that you worked in the Ukraine, did you  
12 travel there?

13 A. Yes, I did.

14 Q. How often?

15 A. In the period of those five years, I probably went there  
16 15 or more times.

17 Q. And where did you stay when you went to the Ukraine?

18 A. Towards the end we stayed at the Hyatt hotel mostly.  
19 Before that we stayed at other hotels, like the Radisson and  
20 one other hotel as well.

21 Q. And would you see Mr. Manafort when you were there?

22 A. Yes, sometimes I would.

23 Q. How often would you see him?

24 A. Most of the time I was there. You know, during the  
25 election campaigns he would be around.

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1 Q. And would you communicate with him about the work, the TV  
2 ads, and other work you were doing?

3 A. Yes.

4 Q. How would you communicate with him?

5 A. Through e-mail, in person, or by telephone.

6 Q. You testified that you worked as an advisor to  
7 Mr. Manafort on these elections. Do you know if Mr. Manafort  
8 hired other U.S. advisors?

9 A. Yes.

10 Q. Who were the other advisors?

11 A. There was The Tarrance Group, which is a polling firm.  
12 Dave Sackett was an advisor. There were -- you know, Rabin  
13 Strasberg who worked with us. There was -- there were a lot  
14 of people who did advance -- and I don't really know all their  
15 names, but there were many of them particularly in that first  
16 campaign.

17 So, you know, U.S. people who would come over there  
18 and do events. There were a team of people who did sort of,  
19 you know, elections to try to ensure that the elections were  
20 going to be free and fair. There was a large team of people  
21 who did that as well.

22 Q. Do you know an individual named Tony Fabrizio?

23 A. Yes. Tony Fabrizio was also -- was a pollster who began  
24 working later on this project.

25 Q. And you testified earlier about an individual named

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1 Dan Rabin?

2 A. Yes.

3 Q. What did Dan Rabin do in the Ukraine?

4 A. Dan Rabin worked with me, you know, as part of our team.  
5 So on producing television advertising.

6 Q. And he -- do you know who he reported to?

7 A. He reported -- when he was there he reported to  
8 Paul Manafort.

9 Q. You testified about the 2010 -- 2010 presidential  
10 election. Were you involved in writing any speeches for that  
11 election?

12 A. Yes, I was.

13 Q. What speeches?

14 A. I wrote a -- I know I wrote a speech -- I sent a draft of  
15 the speech to Paul on election night for Yanukovich after he  
16 won. I believe I wrote an earlier speech about the economic  
17 policy of the Party of Regions.

18 Q. Let me direct your attention to Government Exhibit 7.  
19 Have you seen that document before?

20 A. Yes.

21 Q. Does it relate to your work in the Ukraine for  
22 Mr. Manafort?

23 A. Yes, it does.

24 MR. ANDRES: Your Honor, the Government moves to  
25 admit Government Exhibit 7.

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1 MR. WESTLING: No objection.

2 THE COURT: Admitted.

3 (Government's Exhibit No. 7  
4 admitted into evidence.)

5 THE COURT: Next question.

6 MR. ANDRES: May I publish it, Your Honor?

7 THE COURT: Yes, you may. Subject to the same point  
8 I made to you earlier. Don't ask to publish something that  
9 you're not going to ask much about.

10 MR. ANDRES: Understood.

11 THE COURT: But go ahead. You may publish.

12 BY MR. ANDRES:

13 Q. Mr. Devine, starting with the e-mail at the bottom, who  
14 is the author of that e-mail?

15 A. I'm the author of the e-mail.

16 Q. And who did you write the e-mail to?

17 A. I wrote it to Paul Manafort.

18 Q. Can you read the subject line?

19 A. The subject is "Election Night Speech."

20 Q. And what's the date of the e-mail?

21 A. February 3, 2010.

22 Q. When you referred to "election night speech," what was --  
23 what were you referring to?

24 A. I was referring to the speech that Yanukovych would give  
25 after the presidential election.

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1 Q. Okay. Can you just summarize for the jury what --  
2 what -- summarize that e-mail for the jury, the bottom one.

3 A. I had just flown back from Kiev to New York. Paul had  
4 asked me to write a speech. I told him I had just landed  
5 there and I sent him the speech.

6 Q. And is there an attachment to the speech, an attachment  
7 to the e-mail?

8 A. Yes, there is.

9 Q. And what is the attachment?

10 A. The attachment is the text of the speech.

11 Q. Okay. Do you know if that speech was ever delivered?

12 A. I'm not sure if it was delivered in Ukrainian -- you  
13 know, translated, but I just don't know the answer to that.

14 Q. Can you turn to Government Exhibit 8?

15 Is that a -- is that a document you've seen before?

16 A. Yes, it is.

17 Q. Did it relate to your work in the Ukraine for  
18 Mr. Manafort?

19 A. Yes.

20 MR. ANDRES: Your Honor, the Government moves to  
21 admit Government Exhibit 8.

22 MR. WESTLING: No objection.

23 THE COURT: Admitted.

24 (Government's Exhibit No. 8  
25 admitted into evidence.)

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1 MR. ANDRES: May I publish it, Your Honor?

2 THE COURT: Yes.

3 BY MR. ANDRES:

4 Q. Mr. Devine, starting with the e-mail about two-thirds of  
5 the way down that says, "To the team," do you see that e-mail?

6 A. Yes.

7 Q. Who is the author of that e-mail?

8 A. Paul Manafort.

9 Q. And can you explain to the jury who the e-mail was sent  
10 to?

11 A. It was sent to the sort of key people on the consulting  
12 people.

13 Q. Was it sent to you?

14 A. Yes, it was.

15 Q. And Mr. Strasberg?

16 A. Yes.

17 Q. What did Mr. Strasberg do?

18 A. He worked with Dan Rabin as part of our media consulting  
19 team.

20 Q. And also Julian Mulvey?

21 A. Yes, he's my business partner.

22 Q. Okay. And who is CC'd on the e-mail?

23 A. Rick Gates, Phil Griffin, and Konstantin Kilimnik.

24 Q. Can you read the first line of the e-mail?

25 A. "To the team. The CEC certified Viktor Yanukovych as the

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1 winner of the presidential election last night."

2 Q. And what did you understand the CH -- I think the C --

3 A. I believe that's the election authority in Ukraine.

4 Q. Okay. And then down in the next paragraph, starting with  
5 "everyone," can you read those three sentences?

6 A. "Everyone from Yanukovych to Demeko know that but for the  
7 efforts of this team, there will be no celebration. I spent  
8 five hours with Yanukovych on election night, and he made the  
9 point continuously to thank the team. This is not something  
10 that he has done in the past. This time he definitely gets  
11 it."

12 Q. Okay. Did you reply to Mr. Manafort's e-mail?

13 A. Yes, I did.

14 Q. Okay. And rather than reading it, can you just summarize  
15 what you said in your e-mail?

16 A. I congratulated Paul for running a great campaign and  
17 told him he deserved enormous credit for putting the team  
18 together and for running the -- the campaign.

19 Q. Your e-mail references "tremendous discipline in the  
20 campaign." What did you mean by that?

21 A. I meant tremendous discipline in the execution and  
22 delivery of message. Frequently, in campaigns that's one of  
23 the biggest problems, is that they get off-message and they  
24 don't deliver the message to the voters. This was not one of  
25 those campaigns. This campaign delivered the message with

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1 numbing reputation and got through.

2 Q. And who did you -- who did you attribute with having that  
3 discipline?

4 A. I attributed Paul and the leadership that he provided to  
5 the campaign.

6 Q. Okay. Can you look at Government Exhibit No. 9?

7 Can you tell me that what that is?

8 A. This is an e-mail. Well, the bottom is an e-mail from  
9 Paul to me regarding the win bonus after the election.

10 Q. And this relates to your work with Mr. Manafort in the  
11 Ukraine?

12 A. Yes.

13 MR. ANDRES: The Government moves to admit  
14 Government Exhibit 9.

15 MR. WESTLING: No objection.

16 THE COURT: Admitted.

17 (Government's Exhibit No. 9  
18 admitted into evidence.)

19 MR. ANDRES: May I publish it, Your Honor?

20 THE COURT: You may.

21 BY MR. ANDRES:

22 Q. Mr. Devine, the bottom e-mail, who is that e-mail from?

23 A. It's from Paul Manafort.

24 Q. And who is it to?

25 A. To me.

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1 Q. And what's the date?

2 A. The date is February 16, 2010.

3 Q. And what does that e-mail relate?

4 A. It relates to the win bonus that we were going to get  
5 under the contract.

6 Q. And was that -- how was that referred to? What was the  
7 term that was used --

8 A. Success fee.

9 Q. And how much was the success fee?

10 A. \$100,000.

11 Q. And were you paid that success fee?

12 A. Yes, we were.

13 Q. In the e-mail there's a reference to when Mr. Manafort is  
14 going to pay you. Do you see that?

15 A. Yes.

16 Q. What does it say?

17 A. It says, "I get my last payment right after the  
18 inauguration, which is scheduled for February 25th. I'll be  
19 making your payment from it. If there's any delay, I will dip  
20 into other sources. Is that okay for you?"

21 Q. Did you understand that Mr. Manafort was being paid for  
22 his work in the Ukraine?

23 A. Yes.

24 Q. Did you know who was paying him?

25 A. The Party of Regions.

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1 Q. Okay. And do you know any -- who in the Party of Regions  
2 was responsible?

3 A. Well, I knew that Rinat Akhmetov was someone who  
4 contributed a lot of money to the campaign and to the Party of  
5 Regions.

6 Q. And how did you know that?

7 A. I know that because I was told that by Paul and by other  
8 people who worked on the campaign.

9 Q. And who is Rinat Akhmetov?

10 A. He's a wealthy Ukrainian. They would call him an  
11 oligarch, someone who is, you know, a wealthy person. He was  
12 involved in politics with the Party of Regions.

13 Q. And when you say that term "oligarch," what does that  
14 mean to you?

15 A. That means someone of enormous wealth in -- in Ukraine.

16 Q. Did you have an idea of what Mr. Akhmetov's wealth was?

17 A. I believe it was in the billions of dollars.

18 Q. And you had discussions with Mr. Manafort about  
19 Rinat Akhmetov?

20 A. Yes.

21 Q. Do you know what Mr. Manafort's relationship was with  
22 Mr. Akhmetov?

23 A. I believe, you know, they, you know, knew each other well  
24 and spoke to one another.

25 Q. Okay. Let me ask you to look at Government Exhibit

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1 No. 10. Can you tell me what that is?

2 A. Yes. This is a media strategy memo about message and  
3 advertising.

4 Q. And is there a cover e-mail?

5 A. Yes.

6 Q. Okay. And what's the date on the cover e-mail?

7 A. The date is August 31, 2010.

8 Q. And the attached memo, is that something you've seen  
9 before?

10 A. Yes.

11 Q. Can you explain what it is?

12 A. This is a memo to President Yanukovych and others  
13 identified by initials -- I'm not sure who they are -- from  
14 PJM, who is Paul Manafort.

15 Q. Okay.

16 Your Honor, the Government would move to admit  
17 Government Exhibit 10.

18 MR. WESTLING: No objection.

19 THE COURT: All right. It's admitted.

20 (Government's Exhibit No. 10  
21 admitted into evidence.)

22 MR. ANDRES: May I publish it, Your Honor?

23 THE COURT: Yes. This memo is from you, that is,  
24 the memo of August 31?

25 THE WITNESS: No, Your Honor. The memo that I'm

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1 looking at is for PJM, Paul J. Manafort.

2 THE COURT: No. Exhibit 10 is a memo from  
3 Tad Devine dated August 31. Is that you?

4 THE WITNESS: Yes, Your Honor.

5 THE COURT: And you attached to that another memo?

6 THE WITNESS: Yes. I think I would have written a  
7 memo to Paul. And this memo that I'm looking at right now is  
8 from Paul to President Yanukovych and others.

9 THE COURT: All right. Did you author any part of  
10 that?

11 THE WITNESS: This memo? Yes, it looks -- very much  
12 looks like something I would have written, yes, Your Honor.

13 THE COURT: So as I understand it, this is a memo,  
14 August 31, from you to Manafort, and the attachment appears to  
15 be a memo intended to be sent to Yanukovych that you  
16 essentially authored, am I correct?

17 THE WITNESS: Well, this -- the Yanukovych memo is  
18 dated August 12th. The e-mail from me is dated August 31st.

19 THE COURT: All right. What did you attach?

20 THE WITNESS: I assumed that I attached the memo  
21 which probably looked a lot like this memo.

22 THE COURT: Oh, there -- no. Look a little bit --  
23 look at the end. I think I see it.

24 THE WITNESS: At the end of the memo?

25 THE COURT: Yes. There's an August 31 memo from you

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1 to --

2 MR. ANDRES: That's a different document, Your  
3 Honor. If I might, I don't want to interrupt, but if I  
4 could --

5 THE COURT: Well, it's in the book that you prepared  
6 for the Court under Exhibit 10.

7 MR. ANDRES: I understand, Judge. But the issue  
8 really is that the first document is an e-mail and the e-mail  
9 attaches the memo --

10 THE COURT: All right. That's all right. I --  
11 let's hear from the witness.

12 The e-mail is from you and there's an attachment; is  
13 that right?

14 THE WITNESS: Yes. Yes, Your Honor.

15 THE COURT: And we don't have the attachment here,  
16 do we?

17 THE WITNESS: Not here, no.

18 THE COURT: What was the attachment, as you recall?

19 THE WITNESS: You know, I believe I may have seen  
20 the attachment, and I think it looked a lot like the memo that  
21 Paul later sent.

22 THE COURT: So --

23 MR. ANDRES: Your Honor --

24 THE COURT: Just a moment. When I'm -- just a  
25 moment. When I'm done, I will let you know.

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1 MR. ANDRES: Understood.

2 THE COURT: The August 31 memo is from you to Anne.  
3 Who is Anne?

4 THE WITNESS: Anne was my assistant in my firm.

5 THE COURT: All right. You sent her a memo and the  
6 subject was, quote, another memo, close quote. And the  
7 attachment is a media presentation, right?

8 THE WITNESS: Yes.

9 THE COURT: Now, the next thing in Exhibit 10 is  
10 this memorandum from PJM, which I assume is Mr. Manafort, to  
11 Yanukovych.

12 THE WITNESS: Yes.

13 THE COURT: That really isn't part of your August 31  
14 memo, is it?

15 THE WITNESS: No. But, Your Honor, I think I wrote  
16 a memo that looks a lot like Paul's memo and sent it to him.

17 THE COURT: I see. So this would have been Manafort  
18 sending on to Yanukovych something that you had worked on and  
19 prepared and sent to Manafort?

20 THE WITNESS: I believe so, yes.

21 THE COURT: All right. And then we get to the last  
22 part of Exhibit 10, and that's from you to Anne, your  
23 assistant, and that attaches the memorandum from Mr.  
24 Manafort to --

25 THE WITNESS: Actually, I'm sorry, Your Honor, this

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1 is to Anna.

2 THE COURT: Anna.

3 THE WITNESS: Okay. Who is also at my firm at the  
4 time. So not Anne with an E.

5 THE COURT: So there was an Anne and a Anna?

6 THE WITNESS: Yes.

7 THE COURT: All right. Who is Anna?

8 THE WITNESS: She is my daughter and she was  
9 interning at my firm.

10 THE COURT: All right. And then there's an  
11 attachment to that; is that correct?

12 THE WITNESS: Yes.

13 THE COURT: All right. What's the purpose of  
14 Exhibit 10.

15 MR. ANDRES: Judge, Exhibit 10 reflects the work  
16 that Mr. Devine was doing for Mr. Manafort in the Ukraine in  
17 2010. And I was going to inquire about the memo that's  
18 attached to his e-mail.

19 THE COURT: All right. You may do so.

20 BY MR. ANDRES:

21 Q. Okay. If you could look at the top of the -- of the  
22 memo.

23 And if you could scan in on that, please?

24 The memo is to President -- well, you tell me, who  
25 is the memo to?

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- 1 A. To President Viktor Yanukovich.
- 2 Q. And then there's CCs and some initials?
- 3 A. Yes.
- 4 Q. Do you know who any -- do you know who NA is?
- 5 A. I don't.
- 6 Q. How about AK?
- 7 A. No.
- 8 Q. How about BVK?
- 9 A. I can't remember right now all these.
- 10 Q. During the time that you worked in the Ukraine, were you
- 11 aware of an individual named Boris Kolesnikov?
- 12 A. Yes.
- 13 Q. Who is that?
- 14 A. I think he was -- I believe he worked for the Party of
- 15 Regions.
- 16 Q. Okay. How about an individual named Sergei Levochkin?
- 17 A. Again, that was someone involved in the Party of Regions,
- 18 but not someone I dealt with.
- 19 Q. Okay. In this memo, can you tell me what subject matter
- 20 this relates to?
- 21 A. Yes. This is about strategic assumptions for the
- 22 campaign, key messages, advertising themes.
- 23 Q. And does this memo reflect your work in the Ukraine after
- 24 the election of Mr. Yanukovich?
- 25 A. Yeah, I believe so. Well, I wouldn't call it work. I

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1 wasn't being paid for it, but it certainly would reflect, you  
2 know, my thinking, yeah.

3 Q. Okay. And when you say it wasn't work, who are you --  
4 who asked you to write that memo or who was asking for your  
5 help?

6 THE COURT: The question is compound. One question.

7 BY MR. ANDRES:

8 Q. Who was asking for your help?

9 A. Paul Manafort.

10 Q. Okay. Can I ask you to take a look at Government  
11 Exhibit 11?

12 Can you tell what that is?

13 A. This is -- these are talking points produced, you know,  
14 for communication purposes.

15 Q. And talking points as they related to what campaign or  
16 party?

17 A. This is -- these are talking points for some of the  
18 leaders of the Party of Regions, including Yanukovych. You  
19 know, probably for some event like what we would call  
20 conventions here. Party conference.

21 MR. ANDRES: Your Honor, the Government moves to  
22 admit Government's Exhibit 11.

23 MR. WESTLING: No objection.

24 THE COURT: It's admitted.

25 (Government's Exhibit No. 11

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1 admitted into evidence.)

2 BY MR. ANDRES:

3 Q. And what's the date on the cover e-mail?

4 A. The date is September 1, 2010.

5 Q. And who does the e-mail -- who did you send the e-mail  
6 to?

7 A. To Paul Manafort.

8 Q. And who's CC'd?

9 A. Dan Rabin, Julian Mulvey, Rick Gates, Adam Strasberg, and  
10 Phil Griffin.

11 Q. And can I ask you to take a look at Government Exhibit  
12 No. 12. The bottom e-mail.

13 A. Uh-huh.

14 Q. Do you see that e-mail?

15 A. Yes.

16 Q. Are you included on that e-mail?

17 A. Yes, I am.

18 Q. Is that an e-mail you've seen before?

19 A. Yes.

20 Q. Okay. And did it relate to your work for Mr. Manafort in  
21 the Ukraine?

22 A. Yes.

23 MR. ANDRES: The Government moves to admit  
24 Government Exhibit 12.

25 MR. WESTLING: No objection.

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1 THE COURT: Admitted.

2 (Government's Exhibit No. 12  
3 admitted into evidence.)

4 BY MR. ANDRES:

5 Q. With respect to Government Exhibit 12, can you explain to  
6 the jury what -- can you summarize that exhibit?

7 A. Yes. This is a memo which talks about a draft of a poll  
8 that was being prepared, soliciting comments from people who  
9 would be involved in the process of preparing the polling  
10 instrument.

11 Q. And were polls important to you during the time you  
12 worked in the Ukraine?

13 A. Yes, critically important.

14 Q. Can you look at Government Exhibit No. 20?

15 A. 20?

16 Q. 20. Can you tell what that is?

17 A. This is a memo to Davis Manafort from July 2010 about a  
18 draft message for the elections, a recommended draft TV and  
19 radio media plan as well.

20 Q. And did that also reflect the work you were doing in the  
21 Ukraine for Mr. Manafort?

22 A. Yes.

23 MR. ANDRES: The Government moves to admit  
24 Government's Exhibit 20.

25 MR. WESTLING: No objection.

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1 THE COURT: Admitted.

2 (Government's Exhibit No. 20  
3 admitted into evidence.)

4 MR. ANDRES: May I publish it, Your Honor.

5 THE COURT: Yes, you may. How much more do you have  
6 of this witness?

7 MR. ANDRES: I would say about 20 minutes, Judge.

8 THE COURT: All right. Let's move it along.

9 BY MR. ANDRES:

10 Q. With respect to the top of the e-mail, can you explain  
11 the letterhead on the e-mail -- on the -- I'm sorry -- on the  
12 memoranda of Government's Exhibit 20?

13 A. Yes. There were two letterhead on here. One is Rabin  
14 Strasberg, which is Dan Rabin and Adam Strasberg. The other  
15 is Devine Mulvey, which is myself and my business partner,  
16 Julian Mulvey.

17 Q. And who is the -- who is the memo to?

18 A. It's to Davis Manafort.

19 Q. And what's the date?

20 A. The date is July 12, 2010.

21 Q. And can you summarize what the purpose of the memo was?

22 A. To talk about a draft message for the upcoming elections  
23 and recommend a TV and radio media plan.

24 Q. Okay. And did you create a radio and media plan?

25 A. Yes. I'm sure we did.

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1 Q. Did you -- you testified earlier that you created TV and  
2 radio ads. Are you familiar with the term "script"?

3 A. Yes, I am.

4 Q. What is a script?

5 A. A script is a written version of the ad where we would  
6 write out what the narrator or a candidate was going to say  
7 and then -- and then we would have a column which we would  
8 attach visuals which would go along with the written script.

9 Q. During the time that you worked for Mr. Manafort,  
10 approximately how many TV ads or commercials did you propose?

11 A. During all of that time and all of those campaigns,  
12 probably hundreds.

13 Q. Can I ask you to take a look at Government's Exhibit 22?  
14 Can you tell me what that is?

15 A. This is a script for a television ad.

16 Q. Okay. And does this relate to the work that you did for  
17 Mr. Manafort?

18 A. Yes, it does.

19 Q. Okay.

20 MR. ANDRES: The Government moves to admit  
21 Government's Exhibit No. 22.

22 MR. WESTLING: No objection.

23 MR. ANDRES: May I publish it, Your Honor?

24 THE COURT: You may.

25 BY MR. ANDRES:

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1 Q. Mr. Devine, if you could look at the top half of the --  
2 well, can you explain to the jury what Government Exhibit 22  
3 is?

4 A. This is a script for an ad that we produced in Ukraine  
5 during the presidential election.

6 Q. And can I highlight the top end of that?

7 Can you just explain the top part of that?

8 A. The audio side of the top --

9 Q. Yeah, where it says "client."

10 A. Oh, client. The client is the Party of Regions.

11 Q. Okay. And is this an ad that you remember?

12 A. Yes, I do.

13 Q. Was this an ad that was ultimately run?

14 A. I'm not sure that -- whether or not it was run, but I  
15 remember the ad.

16 Q. Can you explain the ad?

17 A. Yes. The ad was inspired by the television show "Mad  
18 Men" when a character was falling down through tall buildings.  
19 And, you know, the ad was meant to show that the predecessors  
20 in government, when they held power, things did not work out  
21 well. Then it would change from orange to blue and the  
22 character would be introduced into a scene -- a vibrant scene  
23 of economic growth.

24 Q. And can you explain the process of how you would propose  
25 ads for Ukraine elections?

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1 A. Yes. We would draft scripts like this, and we would send  
2 them to Paul Manafort and he would, you know, approve the  
3 scripts. He may have had a separate process that I was not  
4 involved in with the Party of Regions. But our process was to  
5 give them to Paul.

6 Q. Okay. Can you look at Government Exhibit 14?

7 Can you tell me what that is?

8 A. Yes. This is a memo from me to Paul Manafort.

9 Q. Okay. And is there a cover e-mail?

10 A. Yes. This is in -- Paul sent me a memo and, you know,  
11 asked me to review some information about what was happening  
12 in the -- in the campaign over there.

13 Q. At the time did you understand Mr. Manafort to be working  
14 in the Ukraine as of the time of the e-mail?

15 A. Yes.

16 Q. And this e-mail, your response relates to Mr. Manafort's  
17 work in the Ukraine?

18 A. Yes.

19 Q. Okay.

20 MR. ANDRES: The Government moves to admit  
21 Government Exhibit 14.

22 MR. WESTLING: No objection.

23 THE COURT: It's admitted.

24 (Government's Exhibit No. 14  
25 admitted into evidence.)

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1 BY MR. ANDRES

2 Q. Can you explain what the context of the e-mail is?

3 A. Yes. The context of the e-mail is that Paul got in touch  
4 with me and wanted to know what I thought about what they  
5 should be doing in the campaign.

6 At that point in time, I was no longer working for  
7 them, but he wanted my input and opinion, shared the research  
8 data with me. I reviewed it. And I sent, you know, this memo  
9 back to Paul on the basis of my review.

10 Q. You testified that you were no longer working in the  
11 Ukraine. As of the time of this e-mail, was Mr. Manafort  
12 working in the Ukraine?

13 A. Yes.

14 Q. And over what period of time did you understand  
15 Mr. Manafort to work in the Ukraine?

16 A. Well, from -- when I got there in 2005 through -- you  
17 know, the last time I was there was in 2014, and he was still  
18 involved there.

19 Q. And what did you do in the Ukraine in 2014?

20 A. In 2014, I traveled to Ukraine. This is after Yanukovich  
21 left the presidency. And Rick Gates had gotten in touch with  
22 me and asked me to meet with a group of people formerly  
23 involved with the Party of Regions who wanted to form a new  
24 political party.

25 Q. Do you know what the name of that political party was?

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1 A. I believe they were calling it the Party of Development.

2 Q. Okay. Can you take a look at Government Exhibit 15?

3 Can you tell me what that is?

4 A. Yes. This is a memo from me to Rick Gates, and it was  
5 about an inquiry they made about whether or not my firm would  
6 work for another candidate, this was after Yanukovych left,  
7 Petro Poroshenko, who was a candidate for president of  
8 Ukraine.

9 Q. And when Mr. Gates sent you an e-mail, who did you  
10 understand him to be speaking for?

11 A. I understood him to be speaking for Paul Manafort.

12 Q. And this e-mail in Government Exhibit 15 relates to your  
13 work -- relates to the work of the Mr. Manafort in Ukraine?

14 A. Yes.

15 MR. ANDRES: The Government moves to admit  
16 Government Exhibit 15.

17 MR. WESTLING: No objection.

18 THE COURT: Admitted.

19 (Government's Exhibit No. 15  
20 admitted into evidence.)

21 BY MR. ANDRES:

22 Q. Can you explain what Mr. Gates is proposing here?

23 A. He's proposing that we -- you know, that we work on a  
24 campaign for another presidential candidate.

25 Q. And did you ultimately work on that campaign?

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1 A. No, we did not.

2 Q. Okay. Take a look at Government Exhibit 16.

3 Can you tell me what that is?

4 A. Yes. This is a draft proposal for us to work in -- on a  
5 campaign in Ukraine.

6 Q. Okay. And do you know what this related to?

7 A. I think it was -- I think -- let's see -- March 31,  
8 2014 -- I think it related to the same campaign which would  
9 have been for Poroshenko.

10 Q. Okay. And you understood that Mr. Manafort was working  
11 for Poroshenko?

12 A. Well, I think they were -- it was coming together. I'm  
13 not sure that it all came together, but there was -- they were  
14 trying to put it together and --

15 Q. And did you have --

16 A. -- asked us if we'd do it.

17 Q. And did you have discussions about working on that  
18 campaign?

19 A. Yes.

20 Q. Who did you have discussions with?

21 A. Rick Gates.

22 Q. With respect to Government Exhibit 16, does this document  
23 reflect your discussions?

24 A. Yes, it does.

25 MR. ANDRES: The Government moves to admit

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1 Government Exhibit 16.

2 MR. WESTLING: No objection.

3 THE COURT: All right. It's admitted. But let me  
4 have counsel quickly at the bench.

5 (Bench Conference.)

6 THE COURT: Mr. Andres, I'm sure you have a clear,  
7 lucid idea about why this is important. But when you asked to  
8 have admitted a memo by -- what's his name -- Gates, why is  
9 that not hearsay?

10 MR. ANDRES: It's not hearsay for a few reasons,  
11 Judge. First of all, these documents are business records and  
12 there's a business --

13 THE COURT: There's no evidence that they are  
14 business records.

15 MR. ANDRES: They have been certified by this  
16 company that produced them as business records. The 90211  
17 stipulation. That -- that would be our first basis.  
18 Secondly, as the defense --

19 THE COURT: I don't think they are business records.

20 MR. ANDRES: Well, Your Honor --

21 THE COURT: Come on man.

22 MR. ANDRES: Option two.

23 THE COURT: Yes, option tow.

24 MR. ANDRES: Option one is the defense mentioned  
25 rather prominently in Mr. Gates as the co-conspirator.

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1 THE COURT: No he's not a co-conspirator on this.  
2 He's a co-conspirator on the other counts.

3 MR. ANDRES: No, Judge this is the count. This is  
4 the count.

5 THE COURT: Well, I see. Well, I misunderstood  
6 this.

7 MR. ANDRES: I understood --

8 THE COURT: I thought the counts of the  
9 co-conspirator were for bank loans.

10 MR. ANDRES: Mr. Manafort has -- I'm sorry, Mr.  
11 Gates has pled guilty. But obviously he's an admitted  
12 co-conspirator. You don't have to be charged with that crime.  
13 Mr. Gates was charged with conspiring with Mr. Manafort with  
14 respect to hiding the income from these contracts.

15 THE COURT: Well, let me clear about that. I don't  
16 have any evidence yet and that was --

17 MR. ANDRES: Understood.

18 THE COURT: -- what this conspiracy was. At the  
19 moment it seems completely foreign. As a matter of fact, what  
20 I've heard so far doesn't advance the Government's ball at all  
21 under 402.

22 But I just wanted to call that to your attention.  
23 You've clarified for me that you want to introduce this as a  
24 co-conspirator's statement in furtherance of -- and I  
25 understood or I understand now that you do mean it to be the

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1 conspiracy to -- for the -- for the ugh --

2 MR. ANDRES: Tax fraud.

3 THE COURT: Tax fraud. That is the hide the income.

4 MR. ANDRES: Correct.

5 THE COURT: All right. I take it we will hear from  
6 Mr. Gates.

7 MR. ANDRES: That's our expectation.

8 THE COURT: I think the conspiracy is a much  
9 narrower conspiracy. It's a conspiracy about hiding income.  
10 It's far from easy for me to see how this goes to hiding  
11 income.

12 MR. ANDRES: I understand that, Judge.

13 THE COURT: But what I am acutely sensitive to is  
14 how much time we're taking in this sort of thing.

15 All right. There's no objection anyway. It's  
16 admitted. Let's proceed.

17 MR. ANDRES: Thank you, Your Honor.

18 (Open court.)

19 THE COURT: All right. Mr. Andres, what was the  
20 exhibit you were on?

21 MR. ANDRES: 17, Judge.

22 THE COURT: All right. You may continue.

23 MR. ANDRES: Has that been admitted, Judge. 16.  
24 I'm sorry, Judge, being told that I was on 16.

25 THE COURT: You were on 16?

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1 MR. ANDRES: Yes.

2 THE COURT: You may continue.

3 MR. ANDRES: The Government moves to admit  
4 Government Exhibit 16.

5 MR. WESTLING: No objection, Your Honor.

6 THE COURT: Admitted. Next question.

7 (Government's Exhibit No. 16  
8 admitted into evidence.)

9 BY MR. ANDRES:

10 Q. Mr. Devine, can you look at Government Exhibit 18.

11 Can you tell me what that is?

12 A. This is a memo from me to Konstantin Kilimnik about my  
13 travel to Ukraine in June of 2014.

14 Q. Okay. And this is additional work that you're going to  
15 do in Ukraine?

16 A. Yes, this is the work I --

17 THE COURT: You're leading. You had that -- the  
18 correct question is: What was the additional work?

19 BY MR. ANDRES:

20 Q. What was the additional work?

21 A. The additional work was for me to work with a group of  
22 individuals who were forming a new political party.

23 Q. And who did you understand Mr. Kilimnik to be?

24 A. He was someone who worked as a translator for Paul's  
25 operation.

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1 Q. Okay. And did you go to the Ukraine?

2 A. Yes, I did.

3 Q. And what did you do when you got there?

4 A. I met for a week with a group of individuals who were  
5 preparing to form a new political party.

6 Q. And who was responsible for the details of your travel?

7 A. Rick Gates and Konstantin Kilimnik.

8 Q. With respect to the Government Exhibit -- the exhibit  
9 in -- with respect to Government Exhibit 18, can you explain  
10 what that is?

11 A. 18? The one we're on now?

12 Q. Yeah, 18.

13 A. Yeah, this is a memo from me to Konstantin Kilimnik about  
14 my travels to Ukraine and the work that I would be doing there  
15 that week.

16 MR. ANDRES the Government moves to admit Government  
17 Exhibit 18.

18 MR. WESTLING: No objection.

19 THE COURT: It's admitted. Next question.

20 (Government's Exhibit No. 18  
21 admitted into evidence.)

22 BY MR. ANDRES

23 Q. Can you turn to Government Exhibit 19?

24 A. Yes.

25 Q. I'm sorry. One question, Mr. Devine, with respect to 18.

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1 A. Uh-huh.

2 Q. Do you remember where you stayed when you went to the  
3 Ukraine?

4 A. Yes. I stayed at Hyatt Hotel in Kiev.

5 Q. And with respect to the e-mail from Mr. Kilimnik, does it  
6 identify where you're staying? On the first page of  
7 Government Exhibit 18.

8 A. On 18 there's a memo from me to --

9 Q. I'm sorry. The e-mail at the top -- the top document of  
10 Government Exhibit 18.

11 A. Yes. Let's see. We're talking about the June 16 memo?

12 Q. The e-mail.

13 A. June 16 e-mail from me to Kilimnik?

14 Q. Right. Does it identify --

15 A. Yes, it says -- it says you are staying at the Hyatt.

16 Q. Okay. Thank you.

17 With respect to the Government Exhibit 19, can you  
18 tell me what that is?

19 A. Yes. This is a note memorandum from me to Konstantin  
20 Kilimnik regarding messages and talking points for that new  
21 party that was being formed.

22 Q. And what's the date of this e-mail?

23 A. The date is June 19, 2014.

24 Q. Does it relate to work you were doing in the Ukraine?

25 A. Yes.

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1 Q. Who were you doing that work for?

2 A. For Paul Manafort.

3 MR. ANDRES the Government moves to admit Government  
4 Exhibit 19.

5 MR. WESTLING: No objection, Your Honor.

6 THE COURT: Admitted.

7 (Government's Exhibit No. 19  
8 admitted into evidence.)

9 BY MR. ANDRES:

10 Q. You testified that you were paid for your work in the  
11 Ukraine; is that correct?

12 A. Yes.

13 Q. Can you explain to the jury what your invoicing process  
14 was?

15 A. Well, our process would be that my office would send an  
16 invoice to Davis Manafort for whatever the agreed terms of  
17 that contract was and then they would, you know, pay the  
18 invoice.

19 Q. And how were you paid?

20 A. By wire transfers.

21 Q. Were any of the payments you received foreign wires?

22 A. I don't know the details of that.

23 Q. Okay. Can I ask you to look at Government Exhibit 6?

24 Can you tell me what Government Exhibit 6 is?

25 A. Yes. These are invoices from my firm to Davis Manafort

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1 for various amounts.

2 Q. Okay. And did these -- have you seen all of these  
3 invoices before?

4 A. Yes. Yes, I have.

5 Q. Do they all relate to Davis Manafort?

6 A. Yes.

7 Q. And did all the work that you did for Davis Manafort  
8 relate to a certain country?

9 A. Yes.

10 Q. What country?

11 A. Ukraine.

12 Q. Okay.

13 MR. ANDRES: The Government moves to admit  
14 Government Exhibit 6.

15 MR. WESTLING: No objection.

16 THE COURT: Admitted.

17 (Government's Exhibit No. 6  
18 admitted into evidence.)

19 BY MR. ANDRES:

20 Q. Okay. If I could just show --

21 MR. ANDRES: May I publish these, Judge? This is  
22 the last exhibit I'm going to ask about.

23 THE COURT: They're just invoices.

24 MR. ANDRES: Correct.

25 THE COURT: But you may publish one of them.

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1 MR. ANDRES: Fair enough. Thank you, Judge.

2 THE COURT: You don't want to publish all of them,  
3 do you?

4 MR. ANDRES: No, Judge, just the first one.

5 THE COURT: Go ahead.

6 BY MR. ANDRES:

7 Q. Can you explain, Mr. Devine, what that is?

8 A. This is an invoice from my firm to Davis Manafort for a  
9 bill.

10 Q. Okay. And what does it relate to?

11 A. It relates to the payment of consulting fees to my firm.

12 Q. And what's the date of the invoice?

13 A. The date -- the date of the invoice is February 1, 2010.

14 Q. Okay. And how much is the invoice for?

15 A. The invoice is for \$62,500.

16 Q. Okay. And can you take a look at the next invoice?

17 Can you tell me what the date of that invoice is?

18 A. That is February 25, 2010.

19 Q. And how much is that invoice for?

20 A. That's for \$100,000.

21 Q. And who would -- who would -- who did you bill on that  
22 invoice?

23 A. Davis Manafort.

24 Q. Is it fair to say that all of the documents contained in  
25 Government Exhibit 6 are additional invoices?

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1 A. Yes.

2 Q. Okay. And those reflect bills for your work in the  
3 Ukraine?

4 A. Yes.

5 MR. ANDRES: Judge, may I have just one moment?

6 THE COURT: Yes, you may.

7 MR. ANDRES: I have no further questions. Thank  
8 you, Judge.

9 THE COURT: Cross-examination, if any?

10 MR. WESTLING: Yes, Your Honor.

11 THE COURT: For planning purposes, how long do you  
12 anticipate?

13 MR. WESTLING: Probably about 15 or 20 minutes.

14 THE COURT: All right.

15 Ladies and gentlemen, I said 5:30, but we can finish  
16 this witness if you're able to do so. Is anyone in dire  
17 straits and needs to be excused before 6:00?

18 All right. Let's proceed.

19 MR. WESTLING: Thank you, Your Honor.

20 **CROSS-EXAMINATION**

21 BY MR. WESTLING:

22 Q. Good afternoon, Mr. Devine. My name is Richard Westling,  
23 and I represent Paul Manafort. How are you this afternoon?

24 A. Good. Thank you.

25 Q. I appreciate you being here. I just have a few questions

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1 for you.

2 You started out by explaining your relationship with  
3 Mr. Manafort. How long have you known him?

4 A. I met him in 2005.

5 Q. Okay. And so before that, were you familiar with his  
6 reputation?

7 A. Yes, I was.

8 Q. What did you know about him as a political consultant?

9 A. That he was a prominent political consultant.

10 Q. Do you have any sense of how long he's been involved in  
11 this business?

12 A. Yes, for, I'd say, 40 years.

13 Q. All right. And he's worked on a number of domestic  
14 campaigns; is that right?

15 A. Yes, he has.

16 MR. ANDRES: Objection.

17 THE COURT: I beg your pardon?

18 MR. ANDRES: Objection, relevance.

19 THE COURT: Overruled.

20 BY MR. WESTLING:

21 Q. He's worked on a number of domestic campaigns?

22 A. Yes, he has.

23 Q. And going back in time, my sense is that you-all have not  
24 always been on the same side of the aisle. Is that fair to  
25 say?

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1 A. No, that's fair to say.

2 MR. ANDRES: Objection, relevance.

3 THE COURT: I'm going to overrule it.

4 Next question.

5 BY MR. WESTLING:

6 Q. And so obviously when it came to your work in the  
7 Ukraine, you were working for the same candidate, correct?

8 A. Yes.

9 Q. All right. And so in terms of the work that you did over  
10 there, you've had some e-mails and things shown to you. My  
11 sense is that you thought pretty highly of the work  
12 Mr. Manafort was doing?

13 A. Yes, I did.

14 Q. He's a well-qualified professional in the consulting  
15 space?

16 A. Yes.

17 Q. You felt happy to be working with him on this project?

18 A. Yes.

19 Q. And you felt you were doing good work over there; is that  
20 right?

21 A. Yes.

22 Q. You were very successful together, correct?

23 A. Yes.

24 Q. And in this case, part of what was going on with  
25 Mr. Yanukovich, as I understand it, and correct me if I'm

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1 wrong, is that there was an effort to work with him in order  
2 to open up Western alliances for the Ukraine; is that right?

3 A. Yes.

4 Q. All right. And that was a part of the strategy behind  
5 all of this, correct?

6 A. Yes, it was.

7 Q. Because the thought was making him more Europe-facing  
8 would make him a better president and candidate in the  
9 Ukraine?

10 A. Yes.

11 Q. And it would be good for the country, correct?

12 A. Yes.

13 Q. All right. And so you were happy to be part of that  
14 project?

15 A. I was.

16 Q. Now, you've also indicated that you worked with  
17 Mr. Manafort on the Ukrainian projects for five or six years;  
18 is that right?

19 A. Yes.

20 Q. And during that time, were you always left with a  
21 positive impression about his hard work and effort?

22 A. Yes.

23 Q. All right. Let's talk a little bit about his team.

24 You've testified about that. You talked about Mr. Kilimnik  
25 who was over in Kiev, correct?

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1 A. Yes.

2 Q. And he was largely doing translation and other logistic  
3 work?

4 A. Yes.

5 Q. All right. And then Mr. Gates, you said you got to know  
6 him as well?

7 A. Yes.

8 Q. Did he spend much time in the Ukraine?

9 A. I'd see him not all the time, but sometimes.

10 Q. All right.

11 A. Yeah.

12 Q. Did you understand he also sort of had a role holding  
13 down the office here in the U.S.?

14 A. Yeah, and elsewhere, he seemed to be traveling as well.

15 Q. Okay. And you described him, I think, earlier -- and I  
16 don't want to put words in your mouth, so please correct me if  
17 I get it wrong. He was sort of Paul's business person; is  
18 that right?

19 A. Yes.

20 Q. And he worked on a lot of logistics and made sure you got  
21 paid and other things; is that right?

22 A. Yes.

23 Q. And worked on travel arrangements and all those sorts of  
24 things that, again, correct me if I'm wrong, but that Paul was  
25 too busy to do himself?

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1 A. Yes.

2 Q. All right. And so generally you saw him handling a lot  
3 of the day-to-day stuff, but Paul was the strategy guy?

4 A. Yes.

5 Q. All right. And as far as someone who ran the campaigns  
6 that you worked on, was this a full-time job for Mr. Manafort?

7 What was his work effort like?

8 THE COURT: Your question is compound.

9 MR. WESTLING: I apologize, Your Honor. I'll  
10 rephrase.

11 BY MR. WESTLING:

12 Q. As far as your job for Mr. Manafort, it was in connection  
13 with these campaigns, correct?

14 A. In Ukraine, yes.

15 Q. Yes. And so give me a sense of how many hours a day  
16 people were putting in to make this project work.

17 A. It was a tremendous amount of work. And I would have to  
18 say I think Paul worked harder than anybody. He was always  
19 available. There would be e-mails through the night sometimes  
20 that went on.

21 Q. If you can -- you're in this space, I obviously do  
22 something different for a living.

23 Can you give the jury a sense of kind of the  
24 intensity of the political campaign world?

25 A. Well, it -- yes, it can be very intense and heated in

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1 elections. That was certainly true in Ukraine. And I think  
2 compounded by the fact that, you know, people speaking a  
3 different language, it's a different culture. So that added  
4 to the complexity of it as well.

5 Q. And then I assume there was also a challenge just dealing  
6 with -- you had operations here in the U.S., correct?

7 A. Yes, yes.

8 Q. And you're in a different time zone. How many hours  
9 apart are we?

10 A. I think it was seven.

11 Q. Okay. And does that make your work life challenging at  
12 all?

13 A. Yes, it did.

14 Q. All right. And so that would be true for anyone who was  
15 involved in the campaign; is that right?

16 A. Yes, that's correct.

17 Q. Okay. And then, just so we're clear, you make your  
18 living as a political consultant, correct?

19 A. Yes, I do.

20 Q. And you get paid well for that?

21 A. Yes.

22 Q. Right? I mean, it's --

23 A. Sometimes.

24 Q. When you're paid?

25 A. Yes.

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1 Q. But it can be a lucrative undertaking, correct?

2 A. It can be, yes.

3 Q. And that's because there are often people who want to  
4 spend a lot of money in the furtherance of certain political  
5 purposes and -- correct?

6 A. People and causes, yes.

7 Q. Okay. All right.

8 MR. WESTLING: One moment, Your Honor.

9 I have no further questions, Your Honor.

10 THE COURT: All right. Any redirect?

11 MR. ANDRES: Just briefly, Judge.

12 THE COURT: All right.

13 **REDIRECT EXAMINATION**

14 BY MR. ANDRES:

15 Q. Mr. Devine, you were asked questions about how you got  
16 paid for your political campaigns. Do you remember that?

17 A. Yes.

18 Q. Did you ever set up an account in Cyprus to get paid for  
19 political --

20 MR. WESTLING: Objection, Your Honor, outside the  
21 scope of cross.

22 MR. ANDRES: Excuse me. Can I finish the question,  
23 Judge?

24 THE COURT: No, you let him object, and then I hear  
25 the objection.

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1 MR. ANDRES: Understood.

2 THE COURT: If I need to hear from you, I will ask  
3 it. I understand your objection to be, Mr. Andres, that it's  
4 beyond the scope of the examination; is that right? Or is  
5 that your objection?

6 MR. ANDRES: That's my objection to Mr. Westling,  
7 Your Honor.

8 MR. WESTLING: Yes.

9 THE COURT: And the question is -- you asked him  
10 about -- what was it? What was the question?

11 MR. ANDRES: Whether -- in response to a question on  
12 cross --

13 THE COURT: What was your question?

14 MR. ANDRES: Whether he's been -- whether Mr. Devine  
15 has set up any accounts in Cyprus to be paid --

16 THE COURT: Personally?

17 MR. ANDRES: For his business.

18 THE COURT: All right. I'll permit him to answer  
19 that. I don't see the relevancy of it.

20 What's the answer?

21 THE WITNESS: No.

22 THE COURT: Next question.

23 MR. ANDRES: I have no -- I have no further  
24 questions, Your Honor.

25 THE COURT: All right. Do you?

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1 MR. WESTLING: Nothing further, Your Honor.

2 THE COURT: All right. You may step down. Thank  
3 you.

4 THE WITNESS: Thank you.

5 (Witness excused.)

6 THE COURT: All right.

7 Ladies and gentlemen, pass your books to the right.  
8 The court security officer will collect them, maintain their  
9 security overnight.

10 Now, when you get home this evening, as I've told  
11 you, there will be intense curiosity about what you've been  
12 doing today and your family and your children and your spouses  
13 will ask you questions, partners, everybody. They'll want to  
14 know what you've been doing today. Resist the temptation to  
15 answer those questions. Don't answer them, don't conduct any  
16 investigation on your own.

17 You're not to discuss the case with anyone or permit  
18 anyone to discuss it with you. And, in fact, until you retire  
19 to deliberate on your verdict, you're not to talk to anyone  
20 about this case, including among yourselves.

21 And as I should have mentioned to you, of course,  
22 you may not read or listen to anything touching on the case.  
23 That's a fairly easy requirement to adhere to, except today,  
24 in this matter because I am told, although I am not a watcher  
25 of TV or radio, that it is often a subject. Simply go out of

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1 the room or turn it off. Don't listen to it at all.

2 That might even be more pleasant. And I also want  
3 you not to form any opinion on this case until all the  
4 evidence is in. Keep an open mind until you -- until you  
5 start your deliberations at the end of the case.

6 Thank you for your careful and close attention to  
7 the evidence today. And we will begin tomorrow. I'll give  
8 you some leeway here. I usually give juries an opportunity to  
9 appear at 8:30 or 9:00 or 9:30. I can't recall in 31 years  
10 any jury selecting 8:30, and I'm comfortable that you-all will  
11 stick to that tradition.

12 But between 9:00 and 9:30. I know you-all come from  
13 different distances and you face different obstacles in your  
14 attempt to get here. It's very difficult in Northern Virginia  
15 to get around during periods of traffic. That's why some of  
16 us don't live here anymore.

17 What time would you like to convene in the morning?  
18 9:30? 9:30.

19 All right. I will see you tomorrow morning at 9:30.  
20 You may follow the court security officer out.

21 (Jury dismissed.)

22 THE COURT: All right. You may be seated.

23 All right. Mr. Andres, you gave me some information  
24 that I wasn't aware of in terms of that one objection that I  
25 ruled on. But tell me something, I'm curious, what difference

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1 does it make what hotel they stayed in in the Ukraine?

2 MR. ANDRES: Sure, Judge.

3 There's evidence that Mr. Manafort spent a  
4 substantial time in the Ukraine and he generally stayed at the  
5 Hyatt. I think in one year, he stayed there somewhere in the  
6 neighborhood of 150 days or so.

7 And all of these witnesses are going to testify, not  
8 a lot of them, but they all stayed in the same hotel. So  
9 we're just trying to corroborate that all the witnesses are  
10 telling the same story, that Mr. Manafort was in the Ukraine  
11 and the like. So that was the purpose.

12 And for what it's worth, Judge, my objection to the  
13 questions about whether Mr. Devine was working for a Democrat  
14 or a Republican, seems to me, those are the very issues that  
15 you had asked us to keep out of the case as with issues with  
16 respect to Russia and the like. And those are all issues that  
17 the defense has now raised.

18 I think they may have actually referred to the  
19 Soviet Union as opposed to Russia, but I assume they think  
20 it's about the same thing. So that was the purpose of that  
21 objection.

22 THE COURT: Perhaps you heard that. I didn't.

23 MR. ANDRES: In the opening statement.

24 THE COURT: Oh, the opening statement. Could have  
25 been, I don't know. I should have paid closer attention

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1 to your opening -- or Mr. Asonye's and his, but I didn't,  
2 except for the very beginning. I have the -- well, never  
3 mind.

4 All right. We will convene tomorrow morning at  
5 9:30. Who is the witness that we begin with tomorrow?

6 MR. ANDRES: Mr. Rabin.

7 THE COURT: And what exhibits do you plan to  
8 introduce through him?

9 MR. ANDRES: Judge, we're going to try to cull them  
10 down tonight. But those were among the group of exhibits that  
11 we provided to chambers and defense. We're also --

12 THE COURT: All right. Do this for me: Give to  
13 chambers or submit to the court security officer, he'll be  
14 around, a list of those exhibits so that I can be prepared if  
15 there are objections to them. If there aren't, then I really  
16 don't care.

17 MR. WESTLING: Your Honor, it would also be helpful  
18 if we can get more than the first witness, just in terms of  
19 knowing what material to have in the Court tomorrow. There's  
20 obviously a long list, so any help would be appreciated.

21 MR. ANDRES: We've agreed to do that for the defense  
22 and we'll do that.

23 THE COURT: All right.

24 MR. ANDRES: The next witness after that is an FBI  
25 agent whose name I almost routinely mispronounce, so I will

1 send an e-mail to the defense to let them know that. But  
2 we're happy to do that.

3 THE COURT: That's fine. That's appreciated.

4 It's -- it's a useful thing to do. It helps to  
5 expedite matters.

6 All right. Anything further in this matter this  
7 evening, Mr. Andres.

8 MR. ANDRES: Not tonight, Judge.

9 MR. WESTLING: Nothing from the defense, Your Honor.

10 THE COURT: Thank you. All right. Court stands in  
11 recess until 9:30 tomorrow morning.

12 **(Proceedings adjourned at 5:44 p.m.)**

CERTIFICATE OF REPORTER

I, Tonia Harris, an Official Court Reporter for the Eastern District of Virginia, do hereby certify that I reported by machine shorthand, in my official capacity, the proceedings had and testimony adduced upon the Jury trial in the case of the **UNITED STATES OF AMERICA versus PAUL J. MANAFORT, JR.**, Criminal Action No. 1:18-CR-83, in said court on the 31st day of July, 2018.

I further certify that the foregoing 132 pages constitute the official transcript of said proceedings, as taken from my machine shorthand notes, my computer realtime display, together with the backup tape recording of said proceedings to the best of my ability.

In witness whereof, I have hereto subscribed my name, this August 6, 2018.



Tonia M. Harris, RPR  
Official Court Reporter